

United States v. David Harbour

Defendant's Scheme to Defraud

Defendant – Convinced individuals to invest by promising a high steady return of investment

Initial Investors – Individuals invest with Defendant, initially received some investment return

Money from subsequent investors used to pay some promised returns of early investors

More Investors – Individuals hear promising returns from others, more individuals invested money with Defendant

Appearance of Success Lured Investors

Private Jets

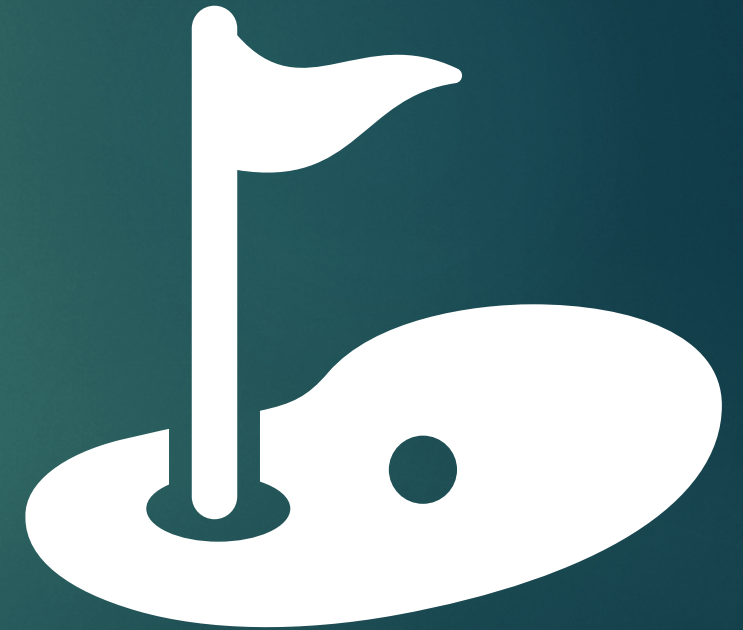
Luxury Homes

Vehicles

Golf Course & Country
Club Memberships

Defendant's "Hunting Ground"

- ▶ Gozzer Ranch Golf Club
- ▶ El Dorado Golf Club
- ▶ Silverleaf Country Club
- ▶ Whisper Rock Golf Club
- ▶ Paradise Valley Country Club



Used Lies, Half-Truths, and Omissions to Keep Fraud Afloat

Text Messages & E-Mails

Phone Calls

Interviews

Under Oath Deposition Testimony

What He Failed to Say

Defendant's Scheme to Defraud

FUELED BY HIS LIES

Lied and misrepresented to get the money

A light orange downward-pointing arrow indicating the flow from the first step to the second.

Used investor money to enrich himself

A light yellow downward-pointing arrow indicating the flow from the second step to the third.

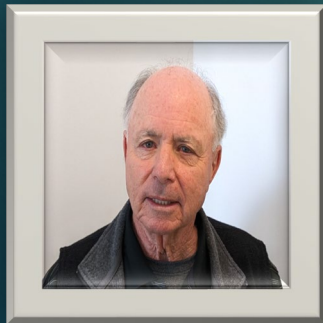
Used investor money to pay earlier investors

Defendant's Lies

- ▶ Façade of success and wealth
- ▶ Unobtainable rates of return
- ▶ Took investors money and diverted most of it to enrich himself
- ▶ Blame game
- ▶ Ponzi payments



You Heard From 20 Individuals



Wendi Yaeger

- ▶ Defendant insisted Yaeger obtain American Express Black Card for clout and influence
- ▶ Defendant could not qualify due to his poor credit
- ▶ Defendant continually missed paying the credit card bill
- ▶ Yaeger now has a lien against her home due to American Express lawsuit for outstanding bill



Harbour Interviewed by FTC

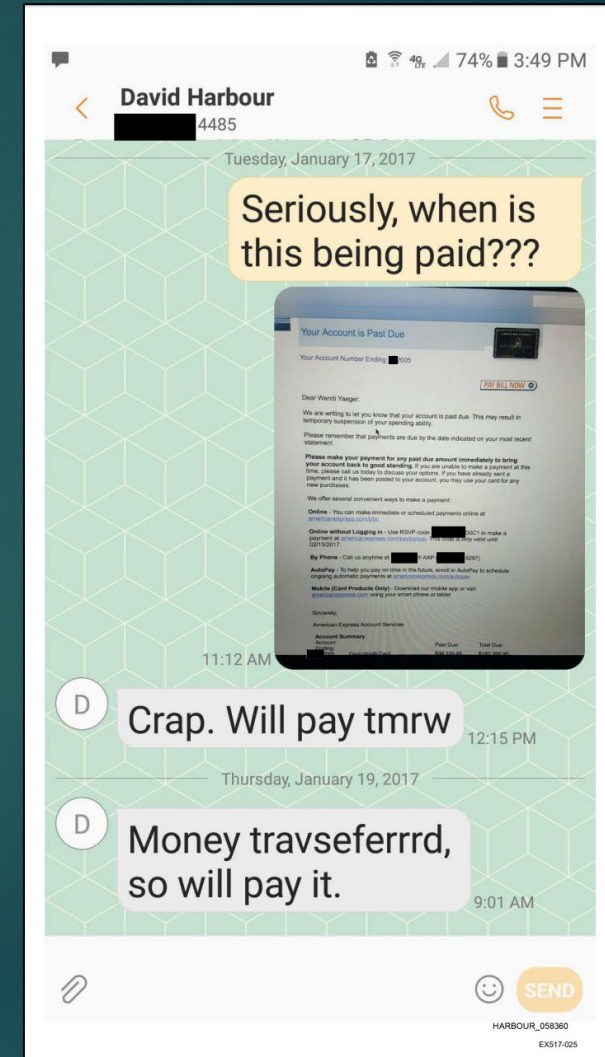
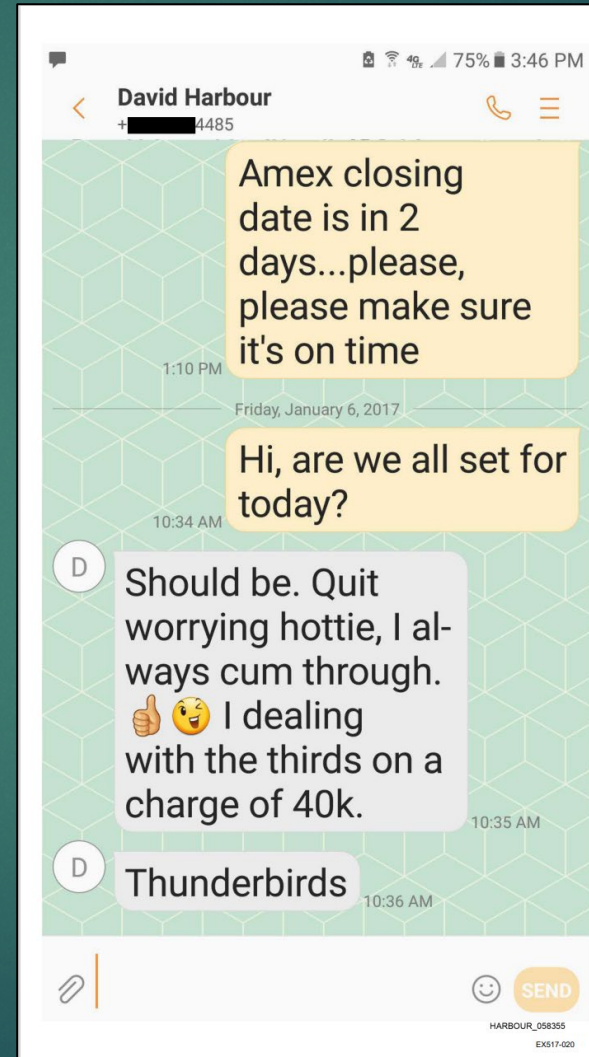
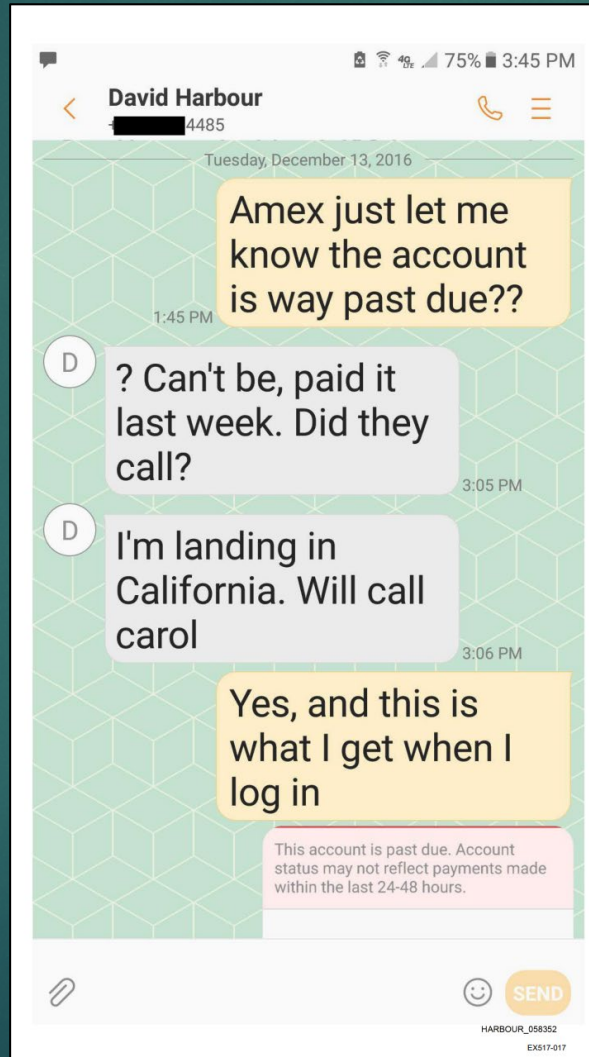
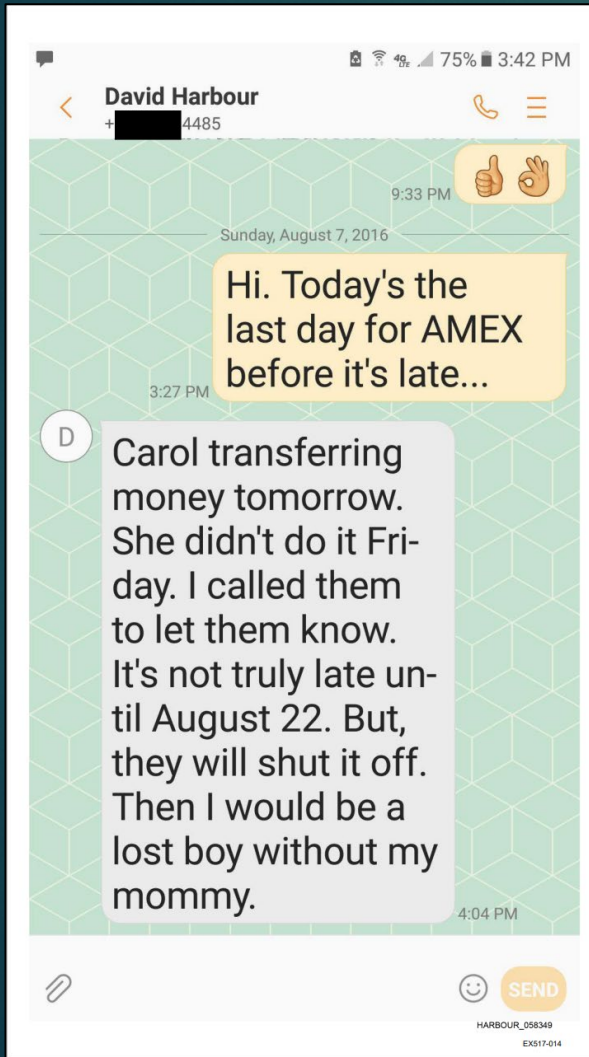
Q. What account is American Express?

A. It's under a lady named Wendi Yaeger.

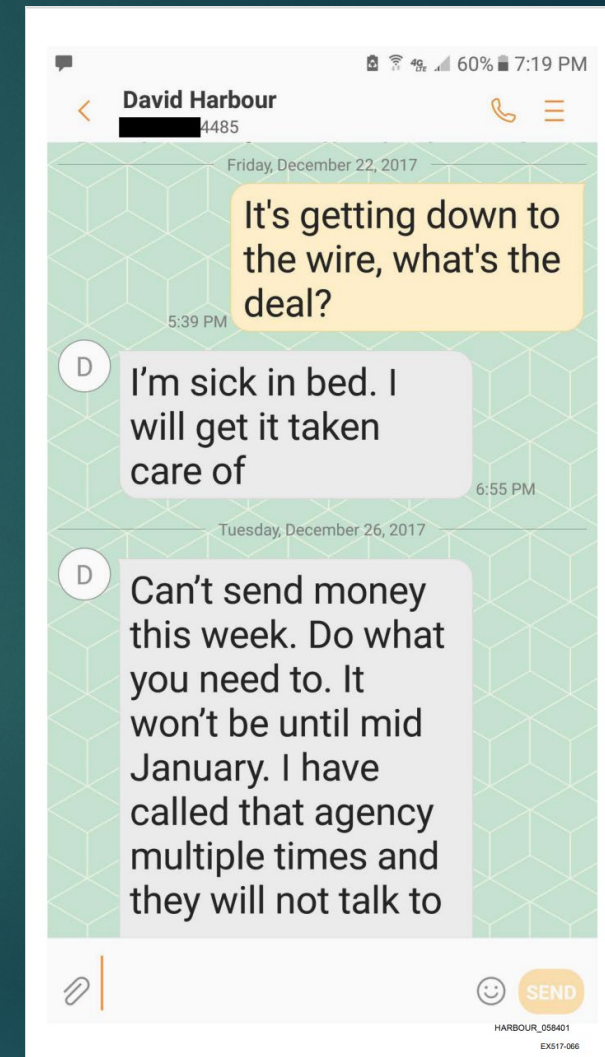
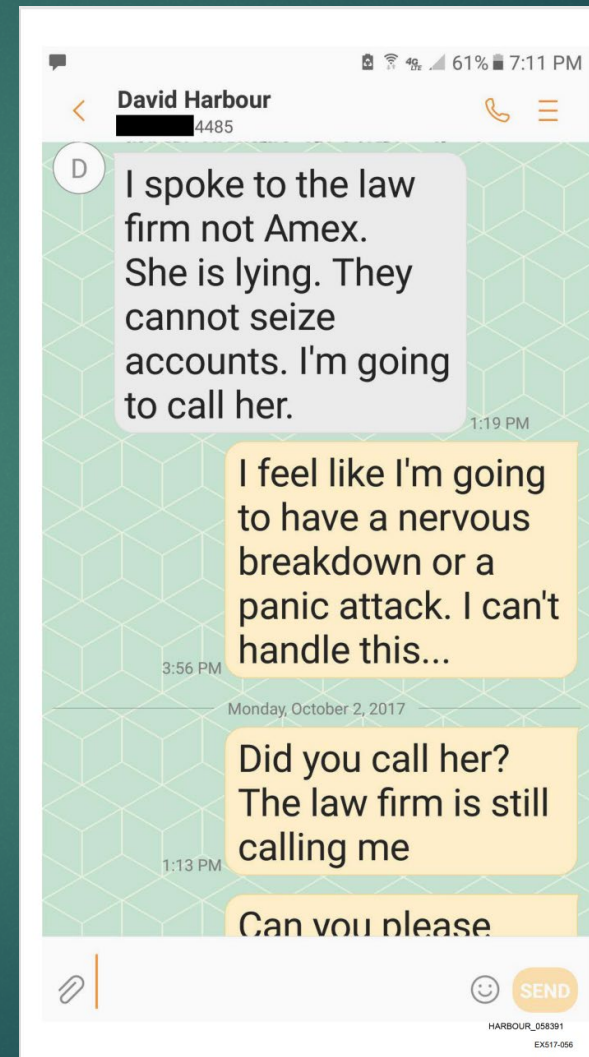
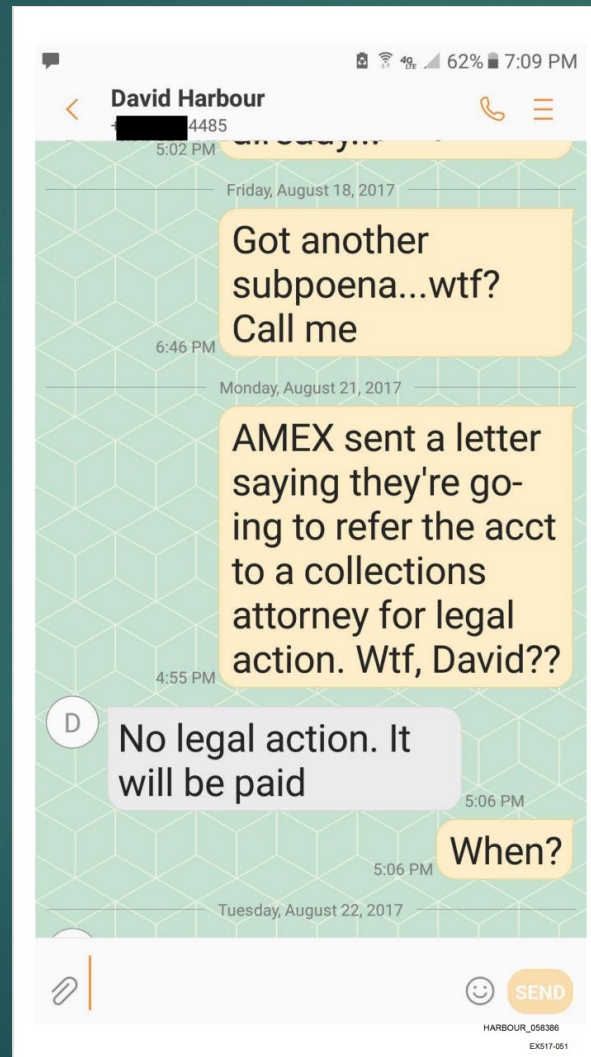
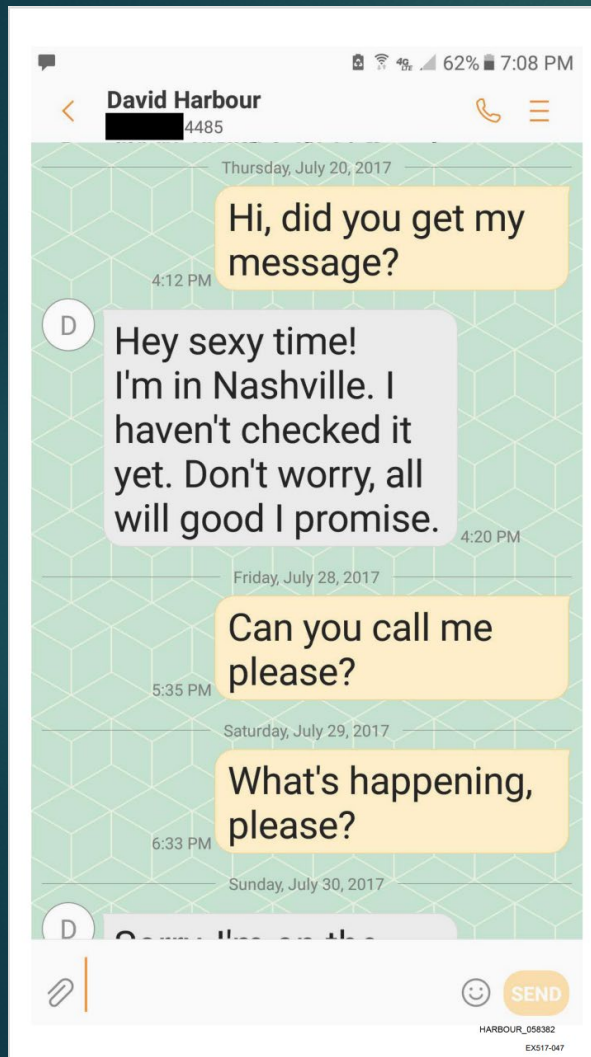
Q. And who is she?

A. Just a dear friend of the family.

Defendant Continued Excuses. . .



Defendant Left Yaeger with the Bill...



Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

Rhonda Gray Fraud (2010 – 2016)

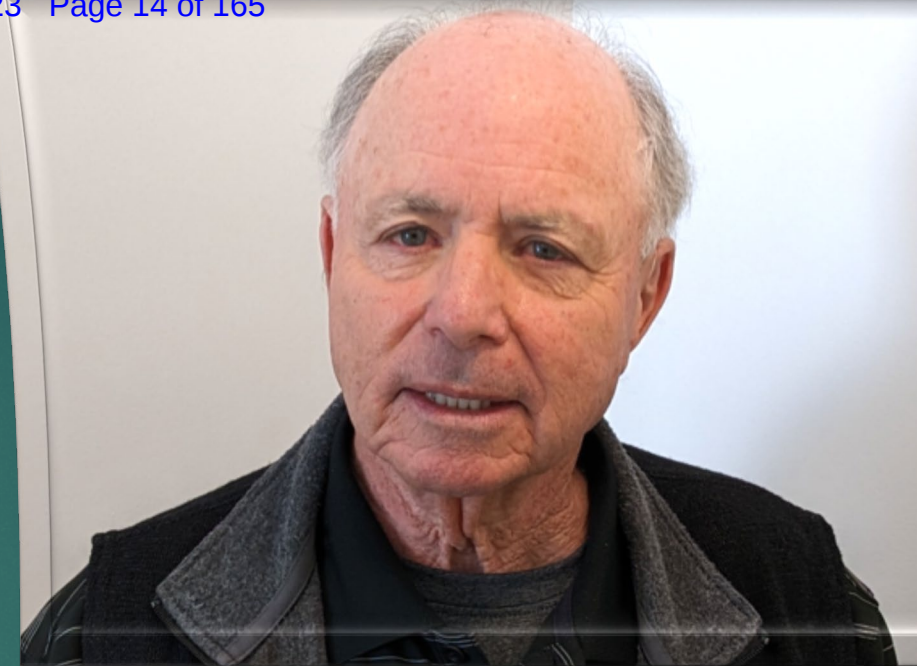
KSQ / Canyon Road Fraud
(2011 – 2014)

Green Circle Fraud
(2014 – 2016)

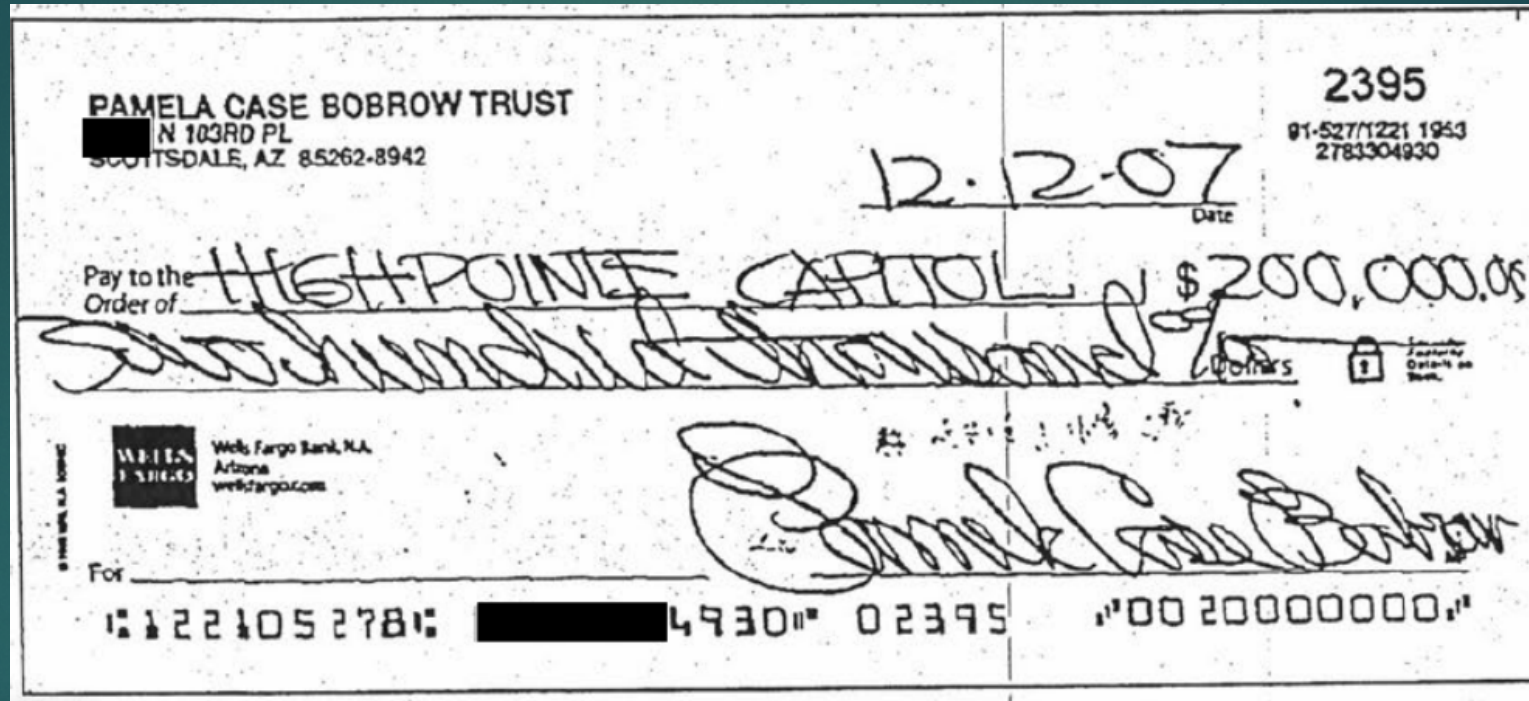


Ken Bobrow & Pam Case

- ▶ In 2007, Bobrow and Case invested \$2,500,000 with Defendant for a purported investment with Dollar Stores and Student Housing
- ▶ Defendant creates “Pat Spaulding” \$7,000,000 promissory note, 2007
- ▶ Defendant has Carol Hill send email to an account in Pat Spaulding’s name, account created in 2014 – five years after Spaulding died



Pam Case, 2007 -- \$200,000



December 2007, Defendant obtains \$2,500,000 from Pam Case / Ken Bobrow



LOAN AGREEMENT

This Loan Agreement is made as of December 17, 2007 by and among **103RD AND HALSTED CURRENCY EXCHANGE, INC.**, an Illinois corporation ("103"), **HIGHPOINTE CAPITAL GROUP, LLC**, an Arizona limited liability company ("HPCG"), and **DAVID HARBOUR** ("Harbour").

RECITALS

- A. Harbour is the sole member of HPCG.
- B. HPCG is in the business of, among other things, investing funds loaned to it.
- C. 103 desires to loan \$2,500,000 (the "103 Funds") to HPCG and HPCG desires to borrow and to invest the 103 Funds all on the terms and conditions set forth herein.

HIGHROCK CAPITAL GROUP, LLC
an Arizona limited liability company

By: 

Name: David Harbour
Title: CEO

BORROWER:

PAT SPAULDING
An Individual

By: 

Name: Pat Spaulding
Title: Individual

WASHINGTON DRIVER LICENSE

LIC # SPAULPS272BZ EXP 01-09-2013 ♥

SPAULDING, PATRICK SCOTT
1808 E 32ND ST
VANCOUVER WA 98663-2976

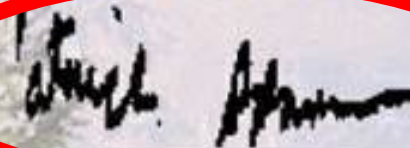
CDL	END	RES	C
SEX	HT	WT	EYES
M	5-09	165	BLU

ISSUE DATE 09-06-2008

DOB 01-09-1973



32882585H13 12



PROMISSORY NOTE

\$7,000,000.00

July 27, 2007
Leawood, Kansas

1. Promise to Repay. For value received, Pat Spaulding, an Individual, as maker ("*Borrower*"), at 84512 Broadway St., Kansa City Missouri 64101, hereby promises to pay to the order of HighPointe Capital Group, a(n) Arizona Limited Liability Company ("*Lender*"), at 10740 Nall Avenue, Leawood Kansas 66221 or at such other place as the holder hereof may from time to time designate in writing, a principal sum not to exceed Seven Million Dollars (\$7,000,000.00) ("*Loan Amount*") advanced by Lender to Borrower. Lender will make Funds available over a twelve (12) month period from the date of the Note.



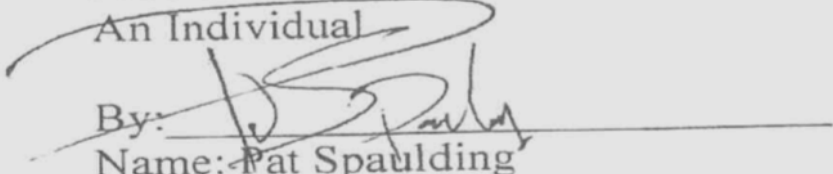
DAVID
HARBOUR

HIGHPOINTE CAPITAL GROUP, LLC
an Arizona limited liability company

By: 
Name: David Harbour
Title: CEO

BORROWER:

PAT SPAULDING
An Individual

By: 
Name: Pat Spaulding
Title: Individual

Lisa Berges

- ▶ Long time bookkeeper for Ken Bobrow
- ▶ Defendant made payments on Ken Bobrow's 2007 note related to Dollar Stores and Student Housing
- ▶ Remains unclear what the source of the funds that Defendant used to repay Ken Bobrow, did not see payments made from Dollar Stores and Student Housing



Pat Spaulding Fraud

The Lies

- ▶ Email to “Pat Spaulding” at PSpaulding1150@gmail.com

From: "Carol Hill" <chill@hpcg.com>
To: <pspaulding1150@gmail.com>
Sent: Tuesday, February 11, 2014 4:16 PM
Subject: Pat Spalding

Mr. Spalding,

The email below is being sent to you per the instruction from Mr. Harbour.

Thank you,

Carol Hill
Assistant to David Harbour

Pat Spaulding Fraud

The Reality

- ▶ PSpaulding1150@gmail.com was created in 2014 in Phoenix
- ▶ Patrick Spaulding died in 2009

GOOGLE SUBSCRIBER INFORMATION

Google Account ID: 971757755357

Name: Pat Spaulding

Given Name: Pat

Family Name: Spaulding

e-Mail: pspaulding1150@gmail.com

Alternate e-Mails:

Created on: 2014-02-11 19:36:39 Z

Terms of Service IP: 72.208.110.159

Craig Jackson

- ▶ In 2009, Defendant obtained \$15,000,000 from Craig Jackson to invest
- ▶ In 2012, Defendant Promises to Reimburse Craig Jackson \$15,000,000





August 2009, Defendant obtains \$9,000,000 from Craig Jackson



C. The \$9 Million Investment in Palo Verde Fund, LP

23. I participated in ~~and funded~~ ^{by} Craig H. Jackson and the Trust to turn over funds for investment in the Palo Verde Fund.

24. On or about August 20, 2009, the Trust (by Craig H. Jackson) signed a Subscription Agreement whereby it purchased \$9 million of Partnership Interests in the Palo Verde Fund, LP. On or about August 31, 2009, the Trust funded the purchase of the Partnership Interests via a \$9 million wire transfer.

25. Pursuant to the August 4, 2009 agreement between HPCG Management and Craig H. Jackson, I was obligated to oversee the Trust's \$9 million purchase of Partnership Interests in the Palo Verde Fund, LP. Craig H. Jackson, as trustee for the Trust, instructed me and the General Partner of the Palo Verde Fund, LP that the \$9 million investment in Palo Verde Fund, LP should be placed only in conservative and liquid investments and that the Trust needed access to the entire \$9 million, along with all earnings and interest, no later than September 1, 2012.



August 2009, Defendant obtains \$6,000,000 from Craig Jackson



A. The \$6 Million Investment

8. On or about August 31, 2009, I received \$6 million from the Trust.

9. I received the \$6 million via wire transfer sent from the Trust to a bank account controlled by me.

10. I knew that the \$6 million was to be invested for the Trust in accordance with instructions from Craig H. Jackson.

11. Craig H. Jackson, as trustee for the Trust, instructed me that the \$6 million should be placed only in conservative investments and that the Trust needed access to the entire \$6 million no later than September 10, 2012.

12. I understood that it was important to Craig H. Jackson and the Trust that the funds be invested in conservative investments and that the funds be available to Craig H. Jackson and the Trust no later than September 10, 2012.

Jason Braun

- ▶ Interviewed Defendant about \$15,000,000 Defendant obtained from Craig Jackson and what happened to it
- ▶ No clear answers
- ▶ *“maybe it was a gift”*



August 2012, Defendant promises to Reimburse Craig Jackson \$15,000,000



G. Attorneys' Fees and Costs

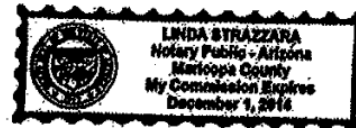
39. On August 13, 2012, I told and promised Craig H. Jackson that I will reimburse Craig H. Jackson and the Trust for any and all reasonable and necessary attorneys' fees that they have incurred and will incur in connection with the recovery of the \$6 million investment, the \$1.9 withdrawal, the \$173,152.39 loan proceeds from the Enrique Chavez loan, the \$9,000,000 investment in Palo Verde Fund, LP, and all accrued and accruing interests and earnings on the \$6 million investment, the \$1.9 withdrawal, the \$173,152.39 loan proceeds from the Enrique Chavez loan, and the \$9,000,000 investment in Palo Verde Fund, LP."

Further affiant sayeth not.

David Harbour, Individually and
On behalf of Highpointe Management Group, LLC;
Highpointe Group, LP; Highpointe Capital Group,
LLC; HPCG, LLC; Highpointe Financial Group,
LLC; and HPCG Management

Sworn to and subscribed before me by David Harbour on this 13 day of August, 2012.

(SEAL)



Notary Public in and for the State of Arizona

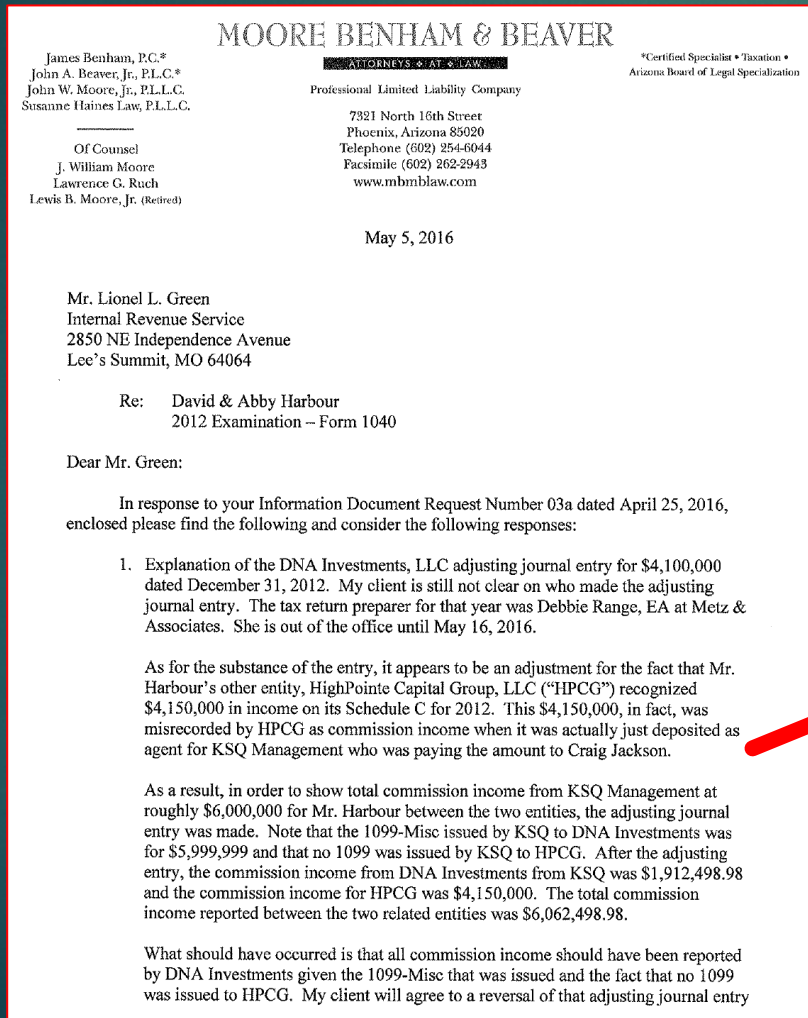
My Commission expires: 12-1-2014

Lionel Green, IRS

- ▶ Traced funds from Defendant's bank account, saw deposits from KSQ, then payments made to Craig Jackson
- ▶ Craig Jackson did not invest in KSQ or Payday Lending



In 2016, Defendant Explains Unique Payment to Craig Jackson



\$4,150,000 in income on its Schedule C for 2012. This \$4,150,000, in fact, was misrecorded by HPCG as commission income when it was actually just deposited as agent for KSQ Management who was paying the amount to Craig Jackson.

Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

Rhonda Gray Fraud (2010 – 2016)

KSQ / Canyon Road Fraud
(2011 – 2014)

Green Circle Fraud
(2014 – 2016)



Rhonda Gray

- ▶ Gray's husband commits suicide
- ▶ Invested \$1,001,242 from Gray's husband's life insurance policy
- ▶ Defendant tells Gray he and Robert Eckholt are working together
- ▶ Not a sophisticated investor



Rhonda Gray, 2010 -- \$1,001,242

Pay to the order
of Highpoint Capital
Group, LLC
Rhonda Gray
Rhonda Gray

THIS DOCUMENT CONTAINS A "VOID" COPY SECURITY FEATURE ON BLUE BACKGROUND, MICROPRINTED BORDER, AND AN ARTIFICIAL WATERMARK WITH SAFETY SCREEN ON THE REVERSE.

Farmers New World Life Insurance Company
3003 77th Ave. S.E., Mercer Island, Washington 98040-2890

POLICY NO.: 007770896

DESCRIPTION: CLM 105497 DEATH CLAIM

TO THE ORDER OF: RHONDA GRAY

DUE TO THE DEATH OF
WILLIAM V GRAY

WELLS FARGO BANK
199 Third Avenue
Seattle, Washington 98104

11-24
1210(B)

A-1736614

PAYMENT DATE: 02/26/2010

PAY \$***1,001,242.67***

CHECK VOID AFTER 6 MONTHS

Rhonda Gray

AUTHORIZED SIGNATURE

SECOND SIGNATURE REQUIRED IF CHECK OF \$25,000 OR MORE

FARMERS GROUP
Symbol of Superior Service





Voicemail





Defendant's Silverleaf Luxury Home



Ex. 878-880

Defendant Finally Documents Gray's Investment in 2013



PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$1,000,000.00	03/01/2013	04/01/2016	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: HPCG, LLC
[REDACTED] N. Pima Road
Scottsdale, AZ 85255

Lender: Rhonda Gray
P.O. Box [REDACTED]
Scottsdale, AZ 85261

Principal Amount: \$1,000,000.00

Initial Rate: 5.00%

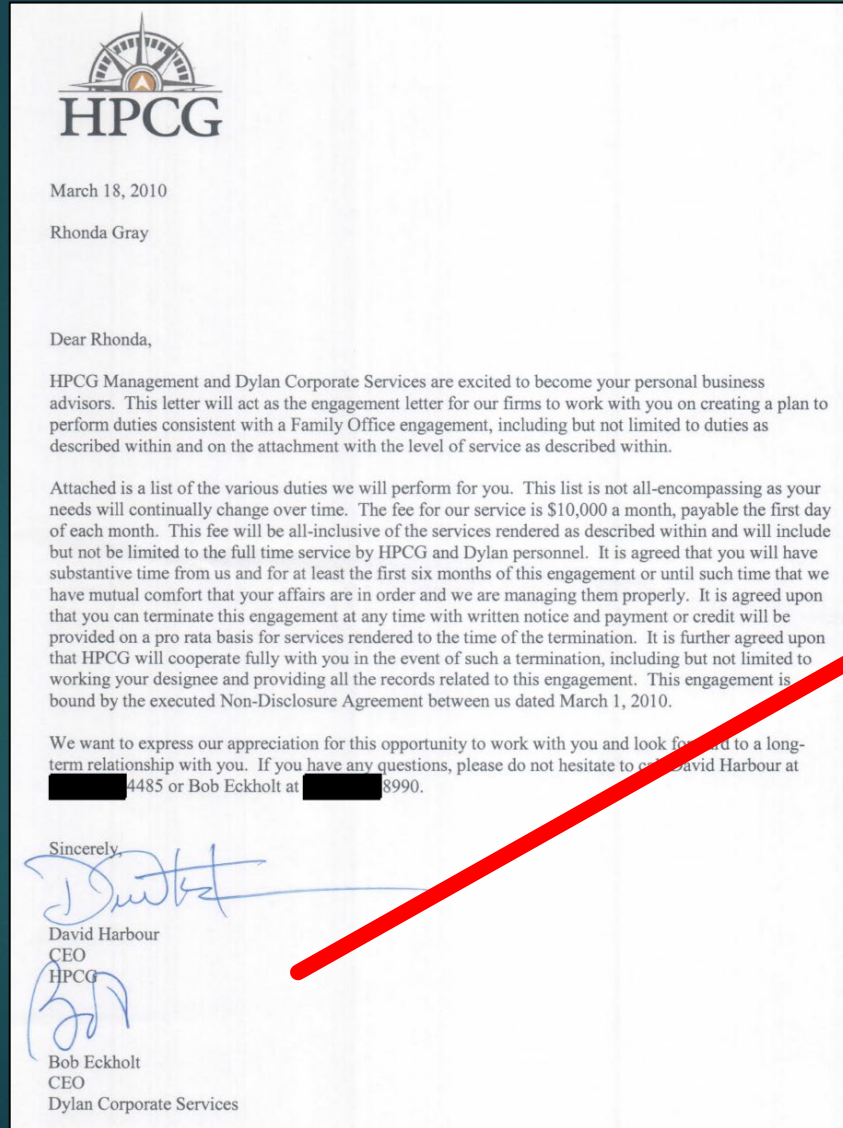
Date of Note: March 1, 2013

Robert Eckholt


- ▶ Operates successful CPA firm
- ▶ Did not work for Defendant
- ▶ Witnessed odd relationship with Defendant and Gray
- ▶ Did not sign engagement letter



Eckholt Did Not Sign Gray Letter



March 2012 – \$53,385 Rolex



HAMRA

FINE JEWELRY & TIMEPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com


Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
Mar 02, 2012

Receipt Number
HVGX43773

Assisted By
Z-Virden, Suzie

Item	Description	Photo	Qty	Unit Price	Amount
23262	Rolex Day-Date Pearlmaster Model #R1894889UB7274; 39mm Serial #G527156; Automatic Mother-of-Pearl Diamond Dial Diamond Bezel; Yellow Gold Case and Masterpiece Bracelet		1	\$55,500.00	\$49,000.00

Recent Payments & Credits

	Subtotal	\$49,000.00
	Total Sales Tax	\$4,385.50
	Total	\$53,385.50
	Less Payments & Credits	\$0.00
	Amount Due	\$53,385.50



November 2012 – \$5,883 Ring



HAMRA
FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com

Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
Nov 29, 2012

Receipt Number
NW2M46644

Assisted By
Hamra, Paul

Item	Description	Photo	Qty	Unit Price	Amount
24918	Custom Platinum Eternity Band 3-Sided With 109 GH/VS Diamonds 1.48 Carats Total Weight 3.2mm Width, 2mm Depth Size 4.5		1	\$5,400.00	\$5,400.00

Recent Payments & Credits

Subtotal \$5,400.00

Total Sales Tax \$483.30

Total \$5,883.30





The Excuses, 2015

07/07 -- "Ok. Traveling a lot. I'm waiting for funds".

07/08 -- "I'm on it darling".

07/09 -- "Sounds good. I'm boarding a plane. One of my big investors is also in the same deal you are".

07/13 -- "The banks had a wire cut in the middle of the ocean. It's been all over the news. I will send you the email from them".

07/24 -- "I love you. We have to get the money in the right way so alarms go off".

08/02 -- "Ok. Your money will come when it is released. It's the nature of the beast. It is protected like you want, but that also means it is a slow process".

08/11 -- "Hey you, sorry I haven't gotten back to you. I'm deep in this hedge fund. Don't ever worry about us, I love you!!".

08/14 -- "I'm buried with this hedge fund in NY. Promise I will call you. I have always been there for you. I have to get this deal closed. It's a 25m facility".

Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

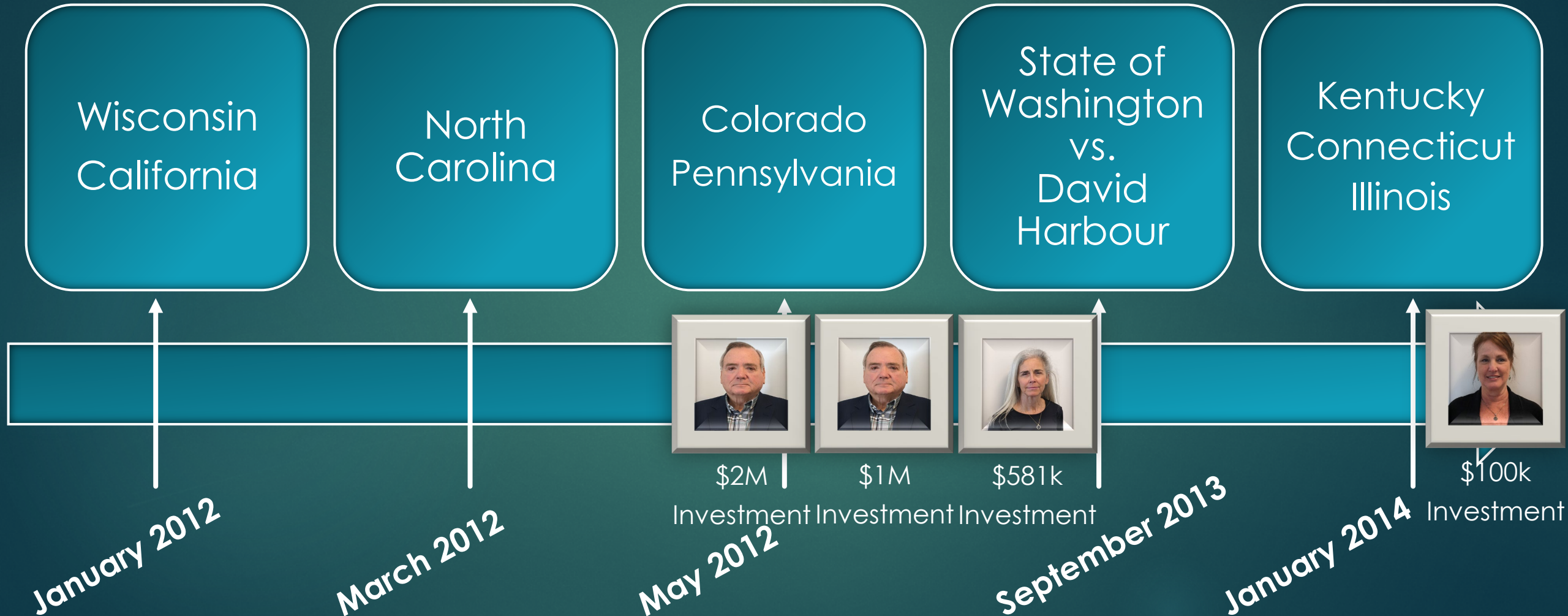
Rhonda Gray Fraud (2010 – 2016)

KSQ / Canyon Road Fraud
(2011 – 2014)

Green Circle Fraud
(2014 – 2016)



Defendant Received Complaints from Multiple State Regulators



Joe Cathey

- ▶ In 2012, Cathey invested \$3,000,000
- ▶ Defendant did not disclose that he received multiple State regulatory complaints on business
- ▶ In 2012, Defendant provided Cathey with personal guarantee on money, told Cathey it was Defendant's only personal guarantee





2012, Defendant obtains \$3,000,000 from Joe Cathey



PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$2,000,000.00	7/16/2012	8/16/2015	<i>[Signature]</i>

References in the shaded area are

Borrower: NorthRock, LLC
[Redacted] College Bl
Lenexa, KS 6621

Principal Amount: \$2,000

PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$1,000,000.00	12/15/2012	12/15/2015	<i>[Signature]</i>

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: NorthRock, LLC
[Redacted] College Blvd. Suite [Redacted]
Lenexa, KS 66219

Lender: Joe R. Cathey and Dianne V. Cathey
[Redacted]
Paluxy, TX 76467

Principal Amount: \$1,000,000.00 **Initial Rate:** 20% **Date of Note:** December 15, 2012

In 2012, Defendant Provided Joe Cathey \$3M backed by Personal Guarantees

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Initials
\$1,000,000.00	12/15/12	12/15/15	<i>[Signature]</i>

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: NorthRock, LLC
 [REDACTED] College Blvd. Suite [REDACTED]
 Lenexa, KS 66219

Lender: Joe R Cathey and Dianne V Cathey
 [REDACTED]
 Paluxy, TX 76467

Guarantor: David Harbour
 [REDACTED] N Pima Rd
 Scottsdale, AZ 85255

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Initials
\$2,000,000.00	07/16/12	08/16/15	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: NorthRock, LLC
 [REDACTED] College Blvd. Suite [REDACTED]
 Lenexa, KS 66219

Lender: Joe R Cathey and Dianne V Cathey
 [REDACTED]
 Paluxy, TX 76467

Guarantor: David Harbour
 [REDACTED] N Pima Rd
 Scottsdale, AZ 85255

Mark Gunnison

- ▶ Attorney for Joe Cathey
- ▶ Had in-person meeting with Defendant where Defendant told him that Cathey's guarantees were the only two guarantee obligations he had
- ▶ Defendant did not disclose he had over \$10 million in guarantees with other individuals



2012 & 2013, Defendant Purchased Custom StanCraft Boat -- \$902,000



DAVID

HARBOUR

Carol Hill

- ▶ In 2012, invested \$81,621, entirety of Hill's retirement fund
- ▶ In 2013, invested \$500,000 from Hill's husband's family inheritance
- ▶ Not a sophisticated investor
- ▶ Check mailed from Arizona to Liberty Trust in Texas





December 2012, Defendant obtains \$81,621 from Carol Hill



DAVID

HARBOUR

PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$81,621.34	12/15/2012	12/15/2015	MLH

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: NorthRock, LLC
 [REDACTED] 71 Highway
 Grandview, MO 64030

Lender: IRA Plus Southwest, LLC
 FBO: Carol Hill IRA #
 [REDACTED] Douglas Avenue, Suite 332
 Dallas, Texas 75225

Principal Amount: \$81,621.34

Initial Rate: 30%

Date of Note: December 15, 2012

December 2012 – \$26,910 Watch


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15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com

Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
Dec 23, 2012

Receipt Number
CU2Y47228

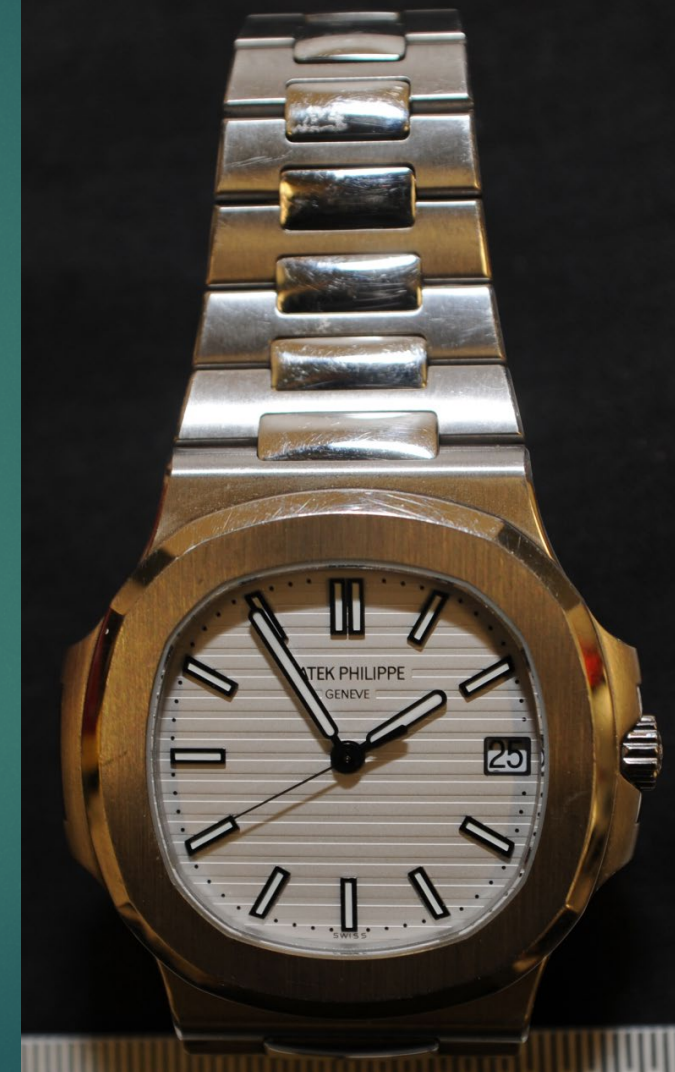
Assisted By
Z-Brown, Darla Jo

Item	Description	Photo	Qty	Unit Price	Amount
24382	Patek Philippe Stainless Steel Nautilus Watch; Automatic Style #5711/1A-011 Movement #5679612; Case #4936230 Silvery-White Dial Steel Bracelet; 40mm		1	\$26,700.00	\$24,700.00

Recent Payments & Credits

2012-12-23	Payment [American Express]	\$26,910.65
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Subtotal	\$24,700.00
Total Sales Tax	\$2,210.65
Total	\$26,910.65



February 2013, Defendant obtains \$500,000 from Carol Hill



DAVID

HARBOUR

PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$500,000.00	2-06-2013	3-6-2016	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: DNA Investments
[REDACTED] N Pima Rd
Scottsdale, AZ 85255

Lender: Patrick Mason Hill and Carol Marie
Hill Living Trust
[REDACTED] E Bell St
Apache Junction, AZ 85119

Principal Amount: \$ 500,000.00

Initial Rate: 20.00%

Date of Note: February 6, 2013

Defendant's Rented Luxury Home



DAVID
HARBOUR



March 2013 – \$140,000 Ring



HAMRA

FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com

Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
Mar 01, 2013

Receipt Number
2V5Q48312

Assisted By
Hamra, Jeff
Hamra, Paul

Item	Description	Photo	Qty	Unit Price	Amount
25452	Abby's Custom Platinum Diamond Ring Is Recreated With Hamra Jewelers 6.25 Carat Round Brilliant Cut Center Diamond I/S11; EGL # US 907611001 D GP Size 4.5		1	\$140,000.00	\$140,000.00
	Trade-In: 3.93 Carat Total Round Center Diamond HJ #18704		1	(\$45,000.00)	(\$45,000.00)

Recent Payments & Credits

Subtotal \$95,000.00

Total Sales Tax \$8,502.50

Total **\$103,502.50**



May 2013 – \$9,042 Pendant



HAMRA

FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com

Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
May 23, 2013

Receipt Number
MVVY49436

Assisted By
Hughes, Heidi
Hamra, Paul

Item	Description	Photo	Qty	Unit Price	Amount
26008	Custom Kansas University Jayhawk Pendant; 18 Karat Yellow & White Gold; Yellow & Blue Sapphires and Rubies; 1 1/2"; 18 Karat White Gold 1.6mm 16" Round Cable Chain		1	\$8,300.00	\$8,300.00

Recent Payments & Credits

	Subtotal	\$8,300.00
	Total Sales Tax	\$742.85
	Total	\$9,042.85
	Less Payments & Credits	\$0.00
	Amount Due	\$9,042.85



December 2013 – \$18,351 Bracelet



15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com

Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date

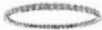
Dec 01, 2013

Receipt Number

5HQQ51971

Assisted By

Hamra, Paul

Item	Description	Photo	Qty	Unit Price	Amount
25960	Diamond Cuff Bracelet 18 Karat White Gold 4.71 Carats Total Weight Magnetized Closure		1	\$18,000.00	\$17,000.00

Recent Payments & Credits

2013-12-01	Payment [American Express]	\$18,351.50
------------	----------------------------	-------------

Subtotal	\$17,000.00
Total Sales Tax	\$1,351.50
Total	\$18,351.50





Text Exchange, 2019



DAVID
HARBOUR

Carol Hill

📧 2019 Taxes: lost my IRA! 📧

Delivered: 4/15/2019 4:58:47 PM(UTC-7)

4/15/2019 4:58:46 PM(UTC-7)

Carol Hill

Just going to correct to 2018. Same whether 2019 or 2018! I'm sick I work so hard for nada

Delivered: 4/15/2019 5:05:15 PM(UTC-7)

4/15/2019 5:05:14 PM(UTC-7)

Carol Hill

It's lost during 2018, you said he was going to send some money re: bankruptcy, I asked you what to do & you said nothing.

How does one prepare @ 61...

Delivered: 4/15/2019 5:13:29 PM(UTC-7)

4/15/2019 5:13:29 PM(UTC-7)



David Harbour

You mean 2018? I'm confused.

Read: 4/15/2019 5:01:43 PM(UTC-7)

4/15/2019 5:01:42 PM(UTC-7)



David Harbour

Why is it being written off?

Read: 4/15/2019 5:06:36 PM(UTC-7)

4/15/2019 5:06:12 PM(UTC-7)

Harbour Interviewed by FTC

Q. Was there any effort to qualify these investors before they got into these things?

A. They are all qualified. I mean, these guys are worth -

Q. They are all sophisticated investors?

A. Yeah.

Defendant Interviewed by FTC



“This won't affect my investors' lives one iota. The money that they lose, it won't change their life one bit.”



Years later, on the
eve of trial,
Defendant
attempted to pay Hill
off

She declined

Alison Willson

- ▶ In 2014, invested \$100,000 of Willson's retirement fund
- ▶ Strung Willson along by delaying payments
- ▶ Craig Jackson and Susie Alofs
- ▶ Furthered scheme by making small / late payments
- ▶ Not a sophisticated investor
- ▶ Check mailed from Arizona to Liberty Trust in Texas





February 2014, Defendant obtains \$100,000 from Alison Willson



PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$100,000.00	02-18-2014	08-18-2016	LS

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: Canyon Road Holdings, LLC
Mission Road Suite 318
Prairie Village, KS 66208

Lender: IRA Liberty Trust Co.
FBO: Alison Willson #
Douglas Avenue Suite 520
Dallas, Texas 75255-5927

Principal Amount: \$100,000.00

Initial Rate: 15.00%

Date of Note: February 18, 2014

Ex. 473

Harbour Testified Under Oath

Q. Have you invested other monies or funds for the Willsons, either Alison or Dan?

A. I have never invested any funds for Alison or Dan Willson or any affiliates or friends of theirs.

Harbour Interviewed by FTC

Q. Was there any effort to qualify these investors before they got into these things?

A. They are all qualified. I mean, these guys are worth -

Q. They are all sophisticated investors?

A. Yeah.



Years later, on the eve of trial, Defendant attempted to pay Willson off if she would sign a declaration

Willson would have to sign that she did not consider herself a victim

Willson signed declaration, received \$105,000 from an unknown source of funds, considers herself a victim

“ Well...I don't believe I lied.. I believe I had...I was told that if I didn't sign it, I wouldn't get the money”

Larry Cook, FTC Receiver

- ▶ Federal Trade Commission (FTC), interviewed Defendant twice
- ▶ In 2013, used Bobrow, Deel, and Dunsworth to fund living expenses, roughly \$1,500,000 from the three individuals
- ▶ In Sept, 2014, preliminary injunction and seized assets
- ▶ In 2015, Defendant said he has no source of income and must borrow money
- ▶ In 2015, Defendant settled with FTC for \$6,612,762



DNA--Harbour Testified Under Oath

Q. What was the purpose for forming DNA?

A. That's a good question. I guess the purpose was to be - I don't remember.

KSQ--Harbour Testified Under Oath

Q. Can you tell me about KSQ?

A. What would you like to know?

Q. What is its purpose?

A. I do not know.

Q. Okay. So you raised money for a company and you don't know what the company did with the money?


A. You are correct.

Harbour Testified Under Oath

Q. And have you signed for yourself personally, as well?

A. I've only signed, probably, in the history of my existence of business, like, a few personal guarantees. You know, it's very elaborate.

2012 and 2013, Defendant Received Regulatory Complaints and Cease and Desist Letters from Various States


State of Wisconsin
Department of Financial Institutions

Scott Walker, Governor Peter Bildsten,

January 3, 2012 Sent via facsimile

CWB Services LLC
Mass Street Group

Attention: Marco T.

Re: John J. Pearson
DFI Complaint #222665

Dear CWB Services LLC and Mass Street Group:

Our department recently received the enclosed complaint against CWB Services LLC and Mass Street Group. The complainant, Mr. Pearson, states that he contacted CWB Services LLC after discovering this bank account was being debited by Mass Street Group. The CWB Services LLC representative informed Mr. Pearson he obtained a \$300 loan from Mass Street Group in October and CWB Services LLC has been servicing the loan for Mass Street Group. Mr. Pearson was unable to locate any emails from Mass Street Group or CWB Services LLC regarding this loan. Mr. Pearson is requesting the refund of all payments debited from his bank account reimbursement of the bank fees he incurred.

Pursuant to s. 138.14(2), Wis. Stats., a person must obtain a payday lender license from our department prior to originating or servicing a payday loan involving a Wisconsin resident. A payday loan is defined as meaning of the following:


1. A transaction between an individual with an account at a financial establishment and another person including a person who is not physically located in this state, in which the person agrees to accept for the individual one or more checks, to hold the check or checks for a period of time before negotiating, presenting the check or checks for payment, and to loan to the individual, for a term of 90 days or less before negotiating or presenting the check or checks for payment, an amount that is agreed to by the individual.
2. A transaction between an individual with an account at a financial establishment and another person, including a person who is not physically located in this state, in which the person agrees to accept the individual's authorization to initiate one or more electronic fund transfers from the account, to wait a period of time before initiating the electronic fund transfer or transfers, and to loan to the individual, a term of 90 days or less, before initiating the electronic fund transfer or transfers, an amount that is agreed to by the individual.

The above noted statute also indicates that a payday lender license is required regardless of whether a loan is made by face-to-face contact, mail, telephone, internet, or any other means.

Based on the information provided in Mr. Pearson's complaint, it appears that Mass Street Group and CWB Services LLC both meet the definition of a payday lender. Since Mass Street Group and CWB Services LLC are not licensed as a payday lender in the State of Wisconsin, both should immediately cease originating and

Division of Banking
Credit
W. Washington Ave. 4th Floor Madison, WI 53703
Internet: www.wdfi.org

Mail: PO Box 7578 Madison, WI 53707-7578
Voice: 608-261-7578 Fax: 608-261-6889 TTY: 608-261-6889


State of North Carolina
Department of Justice
Mail Service Center
Raleigh, NC 27699-9001

ROY COOPER
ATTORNEY GENERAL

CONSUMER PROTEC
Toll Free in NC
7226
Outside of NC
6000
Fax: 6000

March 14, 2012

Anasazi Group LLC
c/o CWB Services LLC
P O Box 7226
Kansas City, MO 64141

Re: File No. 1203727
Brian D Edwards
Wade Hampton Road
Hillsborough, NC 27278

Dear Sir:

This office has received a consumer complaint regarding your company from the above referenced individual. A copy of the complaint is enclosed for your review.

It appears that your company is offering payday loans to North Carolina consumers. You should be aware that payday loans are not authorized in North Carolina. North Carolina's Consumer Finance Act, N. C. Gen. Stat. § 53-184 et seq., regulates small consumer loans and allows a maximum interest rate of up to 36% for licensed lenders. Further, N. C. Gen. Stat. § 53-186(d) provides that consumer loans under \$10,000 made in violation of the Consumer Finance Act are void. Loans made by out-of-state lenders to North Carolina residents can be subject to our usury laws. N. C. Gen. Stat. § 24-2.1 states that any solicitation to lend originating outside of this State, but forwarded to and received in this State by a borrower who is a resident of this State shall be deemed to be an offer or agreement to lend in this State. Further, under that statute any communication to borrow from a North Carolina consumer to an out-of-state lender shall be deemed to be an acceptance to borrow in this State.

We request that you respond within fifteen (15) business days to the enclosed consumer complaint and that you state your intentions to comply with North Carolina law. Because of the serious legal issues raised by the enclosed complaint, we request that you cease and desist from further collection activity on this account. When responding, please refer to File No. 1203727.

1 ALAN S. WEINGER
2 Deputy Commissioner
3 SOPHIA C. KIM (CA BAR NO. 265649)
4 Corporations Counsel
5 Department of Corporations
6 West 4th Street, Suite 750
7 Los Angeles, California 90013
8 Telephone: (213) 7594
9 Facsimile: (213) 7181

10 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Orders Issued to:

St. Armands Services LLC, a.k.a.
St. Armands Group LLC

Respondents.

DESIST AND REFRAIN ORDER PURSUANT
TO CALIFORNIA FINANCIAL CODE
SECTION 23050; and

ORDER VOIDING TRANSACTIONS AND
TO DISGORG ALL CHARGES AND FEES
PURSUANT TO CALIFORNIA FINANCIAL
CODE SECTION 23060

Complainant, the Commissioner of the Department of Corporations ("Commissioner" or "Department"), is informed and believes, and based on such information and belief, finds as follows:

///

///


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///

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DESIST AND REFRAIN ORDER PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 23050; and ORDER
VOIDING TRANSACTIONS AND TO DISGORG ALL CHARGES AND FEES PURSUANT TO CALIFORNIA
FINANCIAL CODE SECTION 23060

DEPOSITION
EXHIBIT
15
Harbour


STATE OF COLORADO
DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

W. SUTHERS
y General
IA H. COFFMAN
Deputy Attorney General
D. DOMENICO
r General

STATE SERVICES BUILDING
Sherman Street - 7th Floor
Denver, Colorado 80203
Phone: (303) 450

May 10, 2012

Anasazi Services, LLC
Attn: Frampton T. Rowland or David Harbour
Mission Road, Suite 318
Prairie Village, KS 66208

RE: CEASE & DESIST ADVISORY via Fax & Regular Mail

Dear Mr. Rowland or Mr. Harbour:

The Administrator of the Uniform Consumer Credit Code (UCCC) has reason to believe that your company is engaged in deferred deposit lending or payday lending in Colorado without complying with state law. You are advised to immediately cease and desist from these actions. In addition, please respond to the attached consumer complaint.

The Colorado Deferred Deposit Loan Act of the UCCC regulates deferred deposit lending. That law requires supervised lender licensing for any person or company that offers, makes, or arranges deferred deposit loans, or that acts as an agent for third parties that makes these loans, regardless of whether the third party is exempt from licensing. Sections 5-3.1-102(5)(a) & 5-3.1-116, C.R.S.

Any lender that solicits or advertises in this state by any means, including but not limited to mail, brochure, telephone, print, radio, television, internet, or any other electronic means is subject to this law. Section 5-1-201(1)(b), C.R.S. A loan agreement otherwise subject to Colorado law is invalid if it provides that the law of another state applies or that the consumer consents thereto. Section 5-1-201(8), C.R.S.


Your company is not licensed as a supervised lender although you offer and make loans to Colorado consumers. In addition, your finance charges sometimes exceed those allowed under Colorado law. A review of your account summary indicates you charge return check fees in excess of those permitted under Colorado law. You do not provide the consumer with a minimum loan term of six months and you allow more refinances and rollovers than permitted under Colorado law. Failure to obtain a supervised lender's license when required subjects the entity to civil actions including injunctions, penalties, refunds of all finance charges, and potential criminal liability. Further, please consider this letter our demand for refunds to consumers of excess charges pursuant to Section 5-6-114(1) and (2), C.R.S. Failure to make the applicable refunds within a reasonable time may subject you to civil penalties.

In order to complete our investigation of this matter, you are directed to provide:

Ex. 718, Page 2, 719, Page 1 724, Page 3, 726, Page 1,
727, Page 2, 733, Page 2, 735, Page 1

2012 and 2013, Defendant Received Regulatory Complaints and Cease and Desist Letters from Various States

Case 2:19-cr-00898-DLP Document 793-1 Filed 09/25/23 Page 69 of 165


State of North Carolina
Department of Justice
Mail Service Center
Raleigh, NC 27699-9001

CONSUMER PROTECTION
Toll Free In NC
7226
Outside of NC
6000
Fax: 6050

January 23, 2013

Mass Street Group
c/o CWB Services, LLC
P.O. Box
Kansas City, MO 64141

Re: File No. 1218677
John A Finnell
P.O. Box
Micro, NC 27555

Dear Sir:

This office has received a consumer complaint regarding your company from the above referenced individual. A copy of the complaint is enclosed for your review.

It appears that your company is offering payday loans to North Carolina consumers. You should be aware that payday loans are not authorized in North Carolina. North Carolina's Consumer Finance Act, N. C. Gen. Stat. § 53-164 et seq., regulates small consumer loans and allows a maximum interest rate of up to 36% for licensed lenders. Further, N. C. Gen. Stat. § 53-166(d) provides that consumer loans under \$10,000 made in violation of the Consumer Finance Act are void. Loans made by out-of-state lenders to North Carolina residents can be subject to our usury laws. N. C. Gen. Stat. § 24-2.1 states that any solicitation to lend originating outside of this State, but forwarded to and received in this State by a borrower who is a resident of this State shall be deemed to be an offer or agreement to lend in this State. Further, under that statute any communication to borrow from a North Carolina consumer to an out-of-state lender shall be deemed to be an acceptance to borrow in this State.

We request that you respond within fifteen (15) business days to the enclosed consumer complaint and that you state your intentions to comply with North Carolina law. Because of the serious legal issues raised by the enclosed complaint, we request that you cease and desist from further collection activity on this account. When responding, please refer to File No. 1218677.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Check Cashers and Sellers Act of Washington by:

No.: SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, BAN
FROM INDUSTRY, IMPOSE FINE,
ORDER RESTITUTION, AND COLLECT
INVESTIGATION FEE

LONGBOAT GROUP, LLC d/b/a CUTTER
GROUP;
ST. ARMANDS GROUP, LLC;
VANDELIER GROUP, LLC;
ANASAZI GROUP, LLC;
FRAMPTON T. ROWLAND, III a/k/a TED
ROWLAND, Managing Member and Co-
Owner;
DNA INVESTMENTS, LLC, Majority Owner;
and
DAVID HARBOUR, Managing Member and
Owner (of DNA INVESTMENTS, LLC),

Respondents.

INTRODUCTION

Pursuant to RCW 31.45.110 and RCW 31.45.200, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.45 RCW, the Check Cashers and Sellers Act (Act). After having conducted an investigation pursuant to RCW 31.45.100, and based upon the facts available as of February 11, 2014, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:


I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Longboat Group, LLC d/b/a Cutter Group (Cutter) is a Delaware Limited Liability Company with its principal place of business believed to be located at Mission Road,

STATEMENT OF CHARGES
SC01
LONGBOAT GROUP, LLC d/b/a CUTTER GROUP, et al

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
P.O. Box
Olympia, WA 98504-1200
8703


COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

BUREAU OF CONSUMER PROTECTION
Forbes Avenue, 6th Floor
Pittsburgh, Pennsylvania 15219
15134
May 18, 2012

Vandelier Group, LLC
c/o CWB Services, LLC
P.O. Box
Kansas City, MO 64141

Re: Nicola Girty
7914


Dear Sir/Madam:

Enclosed please find a copy of a consumer complaint that was filed with the Bureau of Consumer Protection. Our office would like to assist you and this consumer in bringing this matter to a mutually satisfactory conclusion. To aid us in our mediation efforts, please provide a response to the consumer's complaint.

A complaint is sometimes caused by a mistake or misunderstanding that a business is eager to learn about and correct. In other instances, a complaint can often be addressed with an explanation of the circumstances behind the transaction or other information which responds to the consumer's concerns. In either case, by responding to a consumer complaint you can usually preserve "goodwill" for your business.

We request that you provide a prompt written reply so that we may amicably resolve this complaint. Please respond within twenty-one (21) days from the above date.

Very truly yours,


Richard L. Macom
Senior Agent

lg
Enclosure
21

Ex. 718, Page 2, 719, Page 1 724, Page 3, 726,
Page 1, 727, Page 2, 733, Page 2, 735, Page 1

Dr. Robert Manning



Irrelevant

Defendant's Scheme to Defraud

Pat Spaulding Fraud (2007 – 2014)

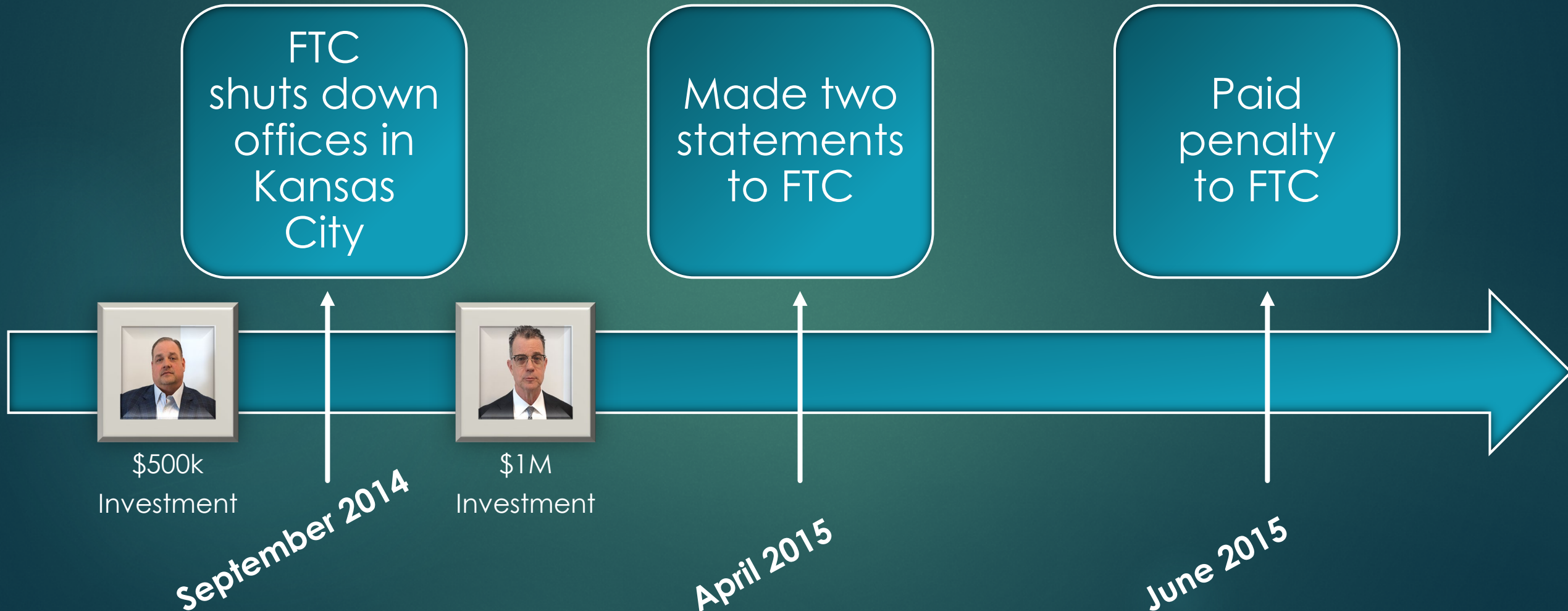
Rhonda Gray Fraud (2010 – 2016)

KSQ / Canyon Road Fraud
(2011 – 2014)

Green Circle Fraud
(2014 – 2016)



Defendant Investigated by Federal Trade Commission



Rich Turasky

- ▶ Turasky's money would be used for investment in Green Circle
- ▶ Sent only 11% of funds to Green Circle
- ▶ Did not use money for investment, instead enriched himself
- ▶ Used a portion of Turasky's money to repay previous investor



June 2014, Defendant obtains
\$500,000 from Rich Turasky / Scott Prater



DAVID

HARBOUR

PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$500,000.00	6/26/2014	9/15/2017	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: OAK TREE MANAGEMENT LLC
Address: [REDACTED] North Pima Road
 Scottsdale, AZ 85255

Lender: CAPITAL INVESTMENT FUND I LLC
Address: [REDACTED] Airport Road, Suite 100,
 Elgin, Illinois 60123

Principal Amount: \$500,000.00

Initial Rate: 12.00%

Date of Note: June 26, 2014



Years later, on the eve of trial, Defendant attempts to pay Turasky if he will sign a declaration

Turasky would have to sign that he did not consider himself a victim

Turasky signs declaration, gets judgement bought out by Ken Bobrow

Bobrow did not know he bought out a judgement

Case 2:19-cr-00898-DLR Document 793-1 Filed 09/25/23 Page 76 of 165

Defendant's Rented Martingale Luxury Home



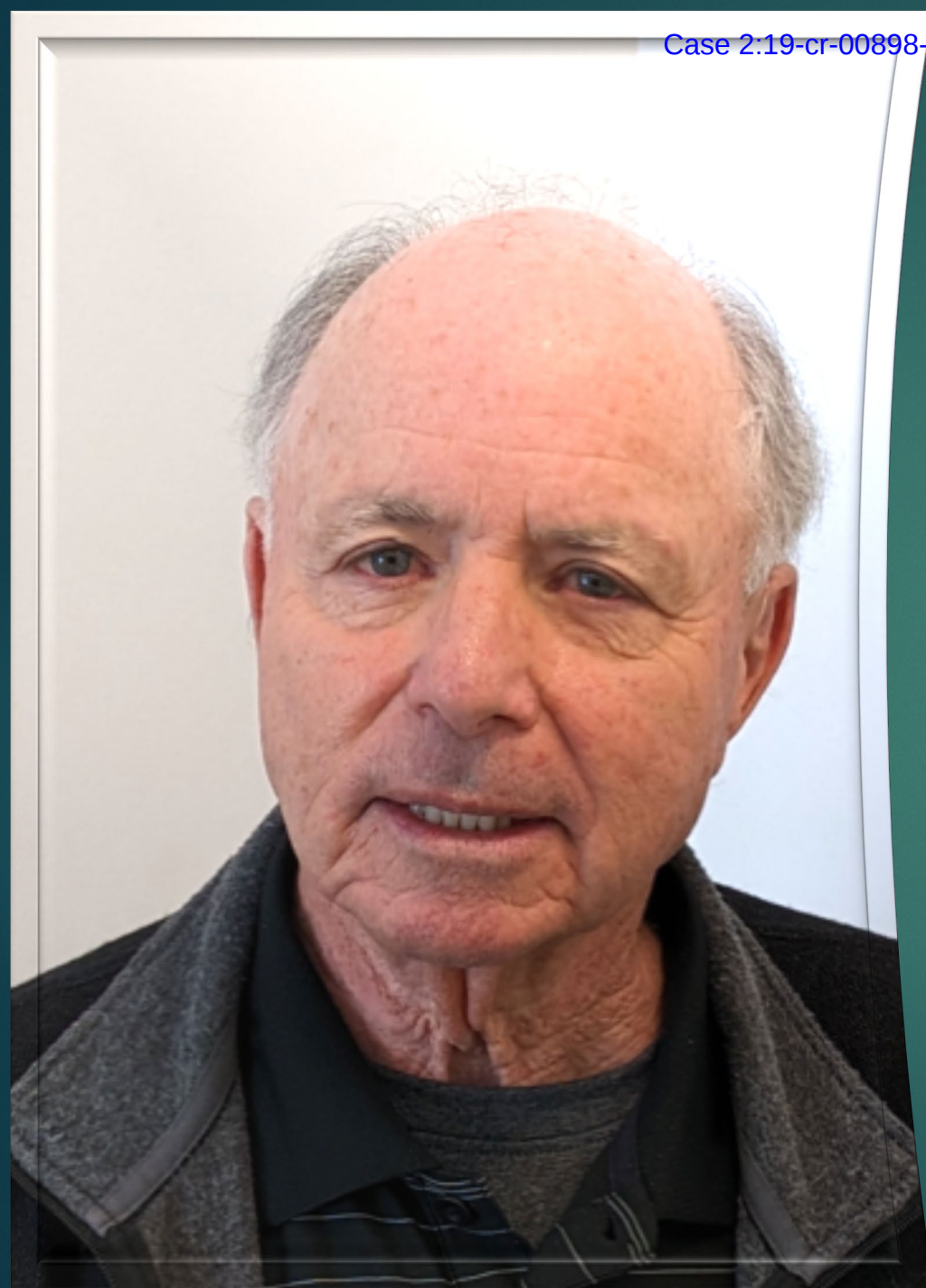
Ex. 874-876

Ken Bobrow

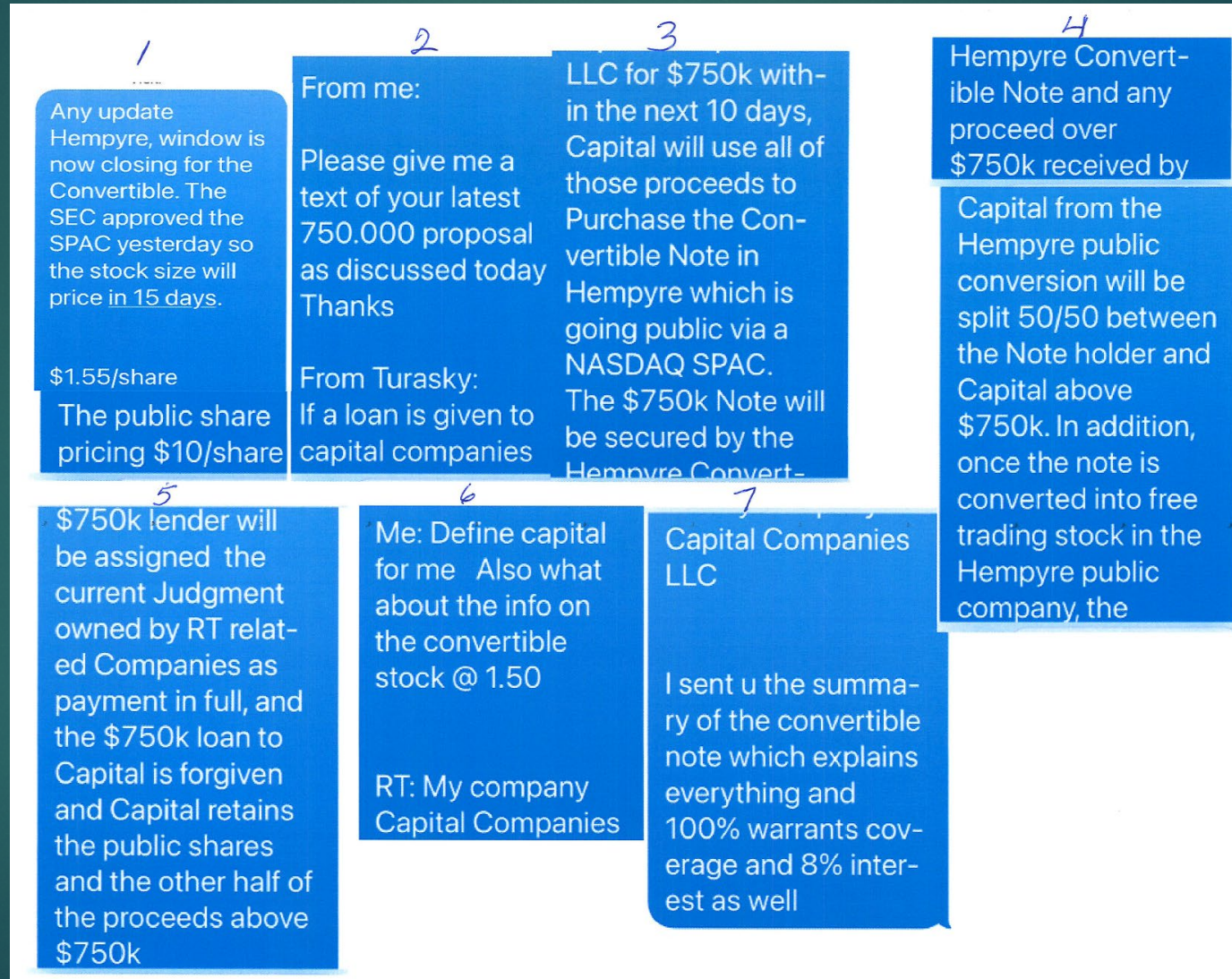
Voiced frustration to Bobrow that Turasky would be testifying against Defendant at trial

Used Bobrow's email account without his knowledge to broker a deal with Turasky, getting Turasky to sign declaration that he is not a victim

Used Bobrow's phone to text Turasky



Defendant Used Bobrow's Phone to Broker a Deal Under Bobrow's Name



Defendant Used Bobrow's Email to Broker a Deal Under Bobrow's Name



From: Rich Turasky

██████████@██████████
com

Subject: RE: Hempyre

Date: Sep 12, 2020 at 7:03:54 AM

To: Ken Bobrow

██████████@gmail.com

Ken,

A Couple things...

There is a lawyer who is going to want to be paid roughly \$200k whenever this buyout happens, so that will have to come out right away.

Second, I don't think this will work because the Feeder Fund that you are working this off of is now closed and the raise was oversubscribed.

I would be able to look at some sort of a split over the \$1m, but that is how much would have to be purchased of the Convertible Note, which upon their public offering there is warrant coverage and a discount to the Public Offering Share Price and Conversion.

Or it's just a simple half now, half in 30 days if that helps.

CAPITAL

Rich Turasky Jr.

President

██████████ Airport Rd. Suite 100

Defendant Used Bobrow's Email to Broker a Deal Under Bobrow's Name



Elgin, IL 60123
[REDACTED]-6666 cell
[REDACTED]@ [REDACTED].com

From: Ken Bobrow
<[REDACTED]@gmail.com>
Sent: Friday, September 11, 2020 2:28 PM
To: Rich Turasky
<[REDACTED]@ [REDACTED].com>
Subject: Re: Hempyre

Hello. Here are my thoughts that we discussed.

I will write a check of \$400,000 to the LLC.

You and or the LLC will buy 100,000 shares at \$4.00 or if you can get it for the \$2.50 that would be great and would be 160,000 shares.

You will be in charge of buying and selling the stock. You believe the stock will sell for at least \$10.00 a share which is \$1,000,000 at \$4.00 and \$1,600,000 at \$2.50 purchase price.

After you get \$1,000,000 from the sale of

the stock you and I will split the gains above \$1,000,000 on a 50/50 basis.

I will get all your rights in the loan and collateral agreement you have with Oak Tree. I will step into your shoes.

I know you know a lot about real estate and you will help me and my group which includes David as a consultant for our real estate deals. We will need to figure out a monthly fee based on the time you will have. It sounds like you are busy.

I will draft the agreement for you to review

and I am wanting to close ASAP as well.

Call me if you want to go over it. Thanks Rich!

Sent from my iPhone
Kenneth S. Bobrow
P.O. Box [REDACTED]
Scottsdale, AZ 85267
[REDACTED]-8242

[REDACTED] E Happy Valley Rd #20
Scottsdale, AZ 85355

Mark Burg

- ▶ Not sure where money would be invested
- ▶ Sent only 60% of funds to Green Circle
- ▶ Defendant did not use money for investment, instead spent the money on personal and family expenditures
- ▶ Defendant used a portion of Burg's money to pay off AMEX bill, school tuition, vehicle lease payment, repay a previous investor





The Façade



- ▶ Ran a fund, knew everyone, spent money and very generous
- ▶ Heard of Harbour's 40th birthday where he chartered a jet for his guests to see a private LA Eagles concert
- ▶ Harbour had a condos at El Dorado and Coeur d'Alene
- ▶ Harbour had a ton of money. "I mean, who spends, you know, a million dollars on a birthday party".
- ▶ Harbour went on trips to Augusta and to the London Olympics
- ▶ Harbour had two boats at Gozzer. "They're stupidly expensive"
- ▶ Harbour had multiple LA trips, staying at a suite at the Peninsula Hotel
- ▶ Potential investment in Gozzer with Burg on nicest piece of land
- ▶ Harbour was purchasing a place in Maui
- ▶ Scottsdale residences with golf at exclusive private clubs
- ▶ Harbour's interest in Charlie Sheen's multimillion dollar property
- ▶ Harbour has trappings of success, similar to wealthy Hollywood types



The Reality



- ▶ FTC shuttered multiple entities that Harbour was a 67% of
- ▶ Many state regulatory agencies had issued cease and desist orders against Harbour and/or his companies
- ▶ Millions in personal guarantees that he had defaulted on
- ▶ Very little income in 2013 and 2014
- ▶ 2015 living off personal loans from Deel, Dunsworth and Bobrow
- ▶ Knew very little about the payday loan industry
- ▶ Owed over \$30M to NorthRock investors
- ▶ Owed \$9M to Craig Jackson
- ▶ Used funds from KSQ to pay Jackson, a previous investor who did not invest in KSQ
- ▶ Personal loans leveraged against condos in Gozzer and Cabo.
- ▶ Rented homes
- ▶ Used a credit card, whose account holder was a former girlfriend



November 2014, Defendant obtains \$1,000,000 from Mark Burg



PROMISSORY NOTE

Principal	Loan Date	Maturity	Initials
\$1,000,000.00	11/14/2014	10/14/2017	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: Oak Tree Management LLC
██████ N. Pima Road
Scottsdale, AZ 85255

Lender: Mark Burg
██████ Aubrey Road
Beverly Hills, CA 90210

Principal Amount: \$1,000,000.00

Initial Rate: 10.75%

Date of Note: November 14, 2014

Dean Avedon

- ▶ Mark Burg's Business Manager
- ▶ Continually attempted to get back Burg's money from Defendant
- ▶ Defendant continued to delay and provide excuses on where the money was





Voicemail



January 10, 2017



Ex. 630



From: [David Harbour](#)
To: [Mark Burg](#); [James Melendres](#)
Cc: [dharbour1@gmail.com](#); [Dean Avedon](#)
Subject: Re: Gozzer/Friendship
Date: Tuesday, May 16, 2017 10:41:20 AM

Mark,

I am sending this email to my attorney. You and Dean have continued to threaten me and make disparaging remarks about me. Mike has nothing to do with our business agreements, therefore you are intentionally trying to harm my reputation by spreading false information.

Sent from my iPhone

> On May 16, 2017, at 10:33 AM, Mark Burg <mburg@primarywave.com> wrote:

>

> David,

> This letter comes to you from the heart and believe it or not I consider/ed you a friend. I'm guessing you must be in financial trouble or else you would have paid me my money. I am getting a place at Gozzer with a friend, Bart Peters. I have spoken with Mike and if you want to sell me your place I will gladly purchase it and your boats. Mike sold his place at Lakeshore Lodge. I am forwarding this email to Mike as well, so he is fully aware of what is going on with us. You can deal with me, or Dean if you have any interest please get back to one of us by email asap. If not I will be purchasing a place from Mike directly. I look forward to seeing you and your family this July at Gozzer if you end up keeping your home. I hope all else is well and I loved the pictures you sent me of your girls in Kansas cheerleader uniforms.

> Best wishes, and I look forward to settling with you amicably.

> Mark

>

> Sent from my iPhone

Ex. 643



Years later, on the eve of trial,
Defendant attempts to pay
Burg if he will sign a declaration

Burg would have to sign that he
did not consider himself a
victim

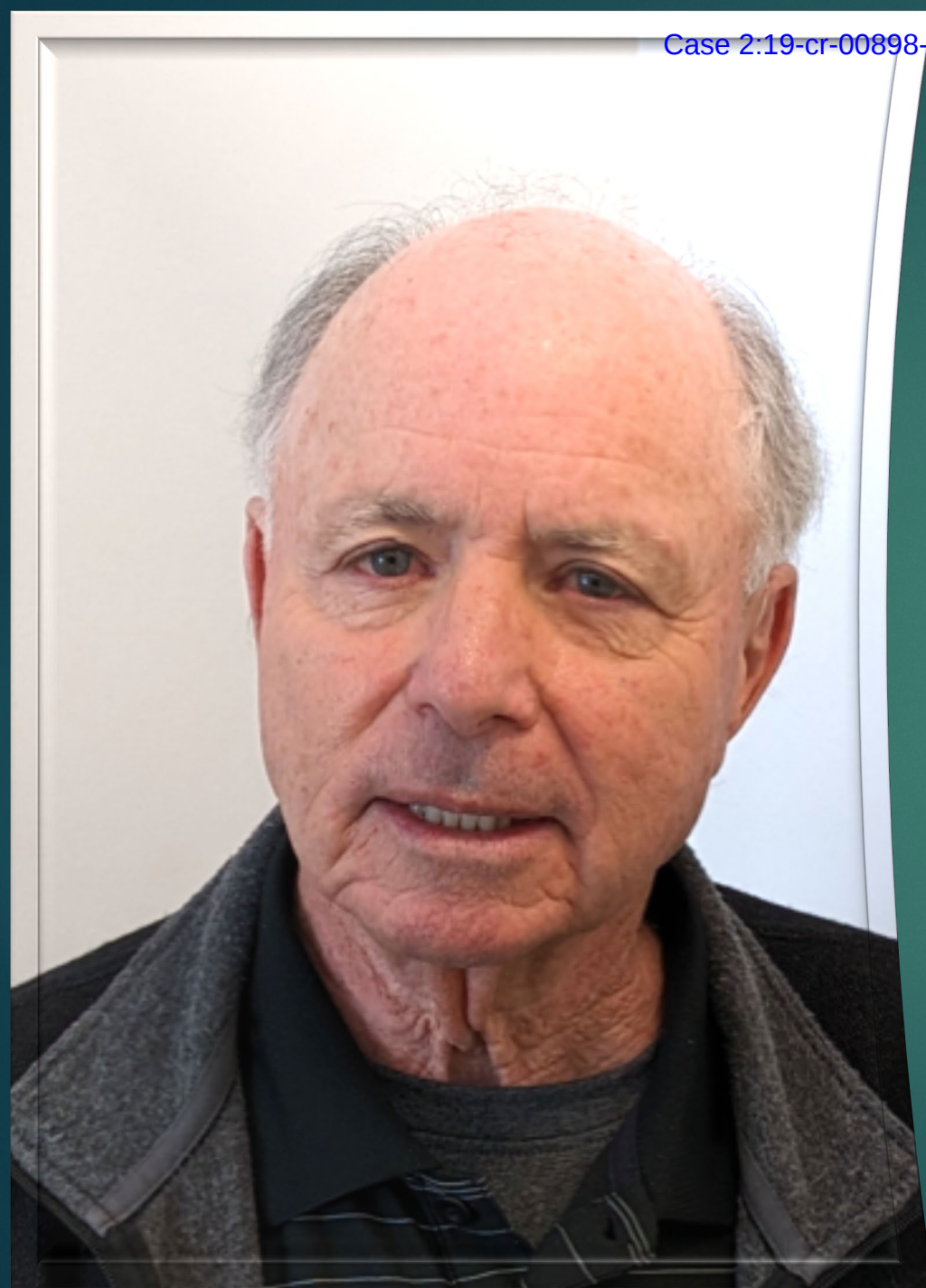
Burg refused to sign on
principal, because “it was not
the right thing to do”

Vicki Bobrow

- ▶ Complained to husband that Mark Burg would not take the \$1,000,000
- ▶ Obtained iPad from Ken and Vicki Bobrow
- ▶ Came to her Flagstaff home and complained to husband about Rich Turasky money



Ken Bobrow



- ▶ Defendant voiced frustration to Bobrow that Burg would be testifying against Defendant at trial
- ▶ Defendant again used Bobrow to attempt to broker a deal with Burg to sign declaration that he is not a victim
- ▶ Burg alerted the Government of the attempt by Bobrow

Jeremy Denhof, FBI

- ▶ In 2016, the FBI served Defendant a subpoena for business records related to Joel Tucker, a business partner of Defendant
- ▶ FBI asks questions about Tucker and the business that Defendant is in with him
- ▶ Defendant said he signed several millions of dollars of personal guarantees with investors
- ▶ Defendant said he received around \$2 or \$3 million from deals with Joel Tucker



In 2011, Defendant Enters into Finder Fee Agreement with Joel Tucker

a) 25% of the principal amount of the loan, payable within 5 business days of the loan closing date.

In addition to the Finder's Fee, Company will pay 30% of the principal amount on a monthly basis to Finder by wire transfer or other electronic means to a financial institution of Finder's choosing and continue to pay 30% until the entire principal balance is paid. See Exhibit A for avoidance of doubt.

October 12, 2011

Joel Tucker
KSQ Management, LLC
[REDACTED] Nall Avenue
Mission, KS 66202

Dear Joel:

This letter will confirm our agreement ("Agreement") in connection with the efforts of DNA Investments, LLC ("Finder"), to identify a lender or lenders ("Lender") to enter into loan agreements with KSQ Management, LLC (the "Company"). The terms of our Agreement are as follows:

1. Appointment as Finder.

Company hereby authorizes Finder, on a nonexclusive basis, to identify Lenders for the Company upon terms acceptable to Company, for a period commencing on the date hereof and continuing until terminated by written notice by Company to Finder.

2. Finder's Fee.

If a transaction is consummated within the term of this agreement, or within 3 months after termination of this Agreement, with a Lender directed or introduced by Finder to Company, then Finder shall be entitled to a Finder's Fee as follows:

a) 25% of the principal amount of the loan, payable within 5 business days of the loan closing date.

Payments of the Finder's Fee shall be made by a wire transfer or other electronic means to a financial institution of the Finder's choosing on or before the scheduled payment date.

3. Portfolio Participation

In addition to the Finder's Fee, Company will pay 30% of the principal amount on a monthly basis to Finder by wire transfer or other electronic means to a financial institution of Finder's choosing and continue to pay 30% until the entire principal balance is paid. See Exhibit A for avoidance of doubt.

May 2013 – \$12,050 Watch

HAMRA
FINE JEWELRY & TIMPIECES

15435 North Scottsdale Road, Suite 130 | Scottsdale, AZ 85254
480.946.5110 | info@hamra.com



Receipt

David & Abby Harbour
Attn: 8901 N. Martingale Road
Paradise Valley, AZ 85253

Date
May 28, 2013

Receipt Number
OMTJ49505

Assisted By
Hamra, Paul

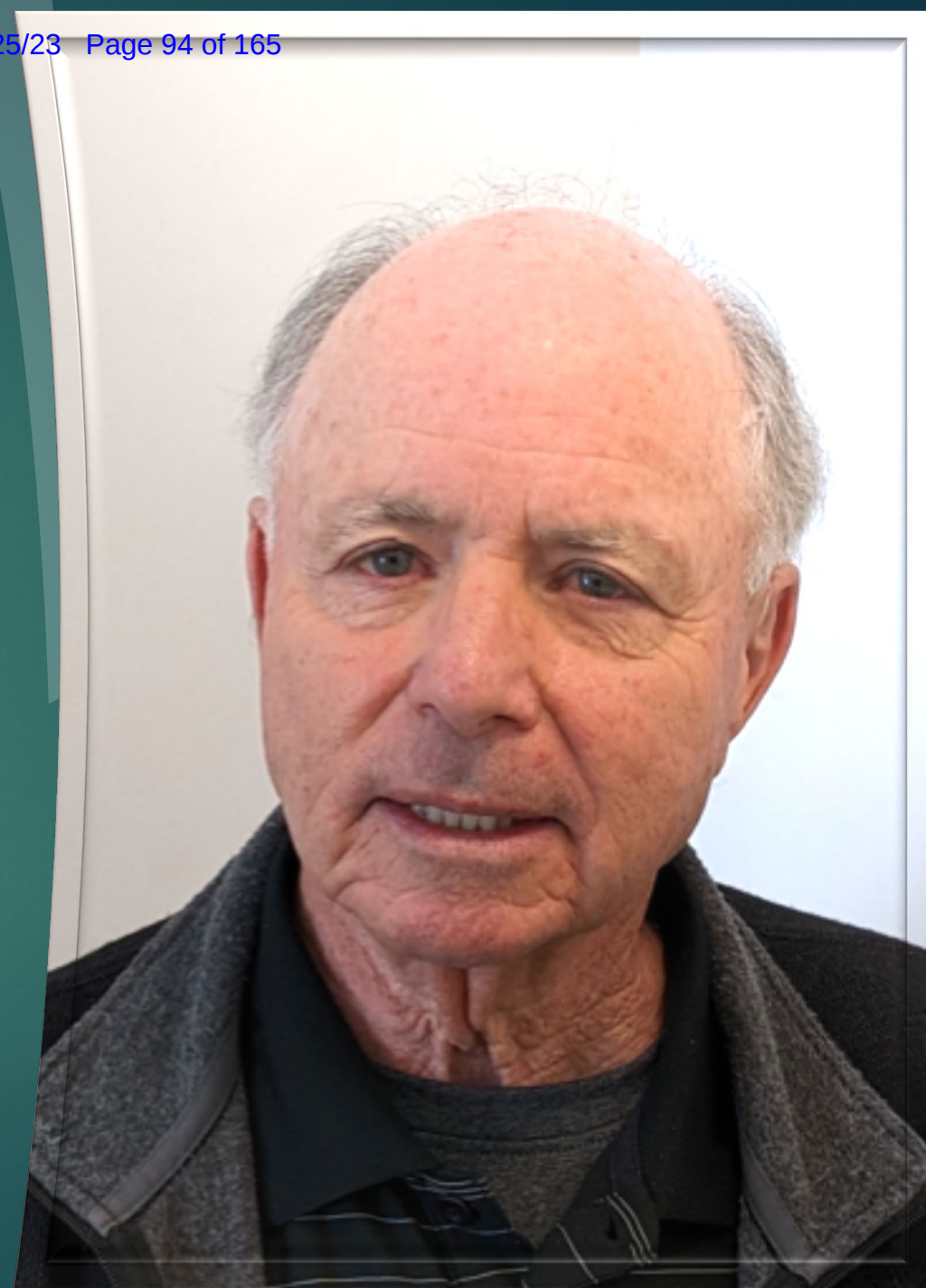
Item	Description	Photo	Qty	Unit Price	Amount
17214	<p>Rolex DeepSea Sea-Dweller Model #116660A30B9821; 44mm Serial #V083473; Automatic movement. Black Index Date Dial Stainless Steel Case & Oyster Bracelet.</p> <p>Shipped on 5.30.2013, Thursday by Fedex to: Mr. Joel Tucker 1881 9th Street. Suite 110, Boulder, CO 80302. 913-827- 6604 Fedex tracking# 5451 8226 7800 Paul Hamra US Mailed an appraisal with Joel's name on it for this watch.</p>		1	\$12,050.00	\$12,050.00
26011	<p>Black Rubber Flared Tang Buckle Watch Strap For Deepsea</p> <p>David is giving this to his diving friend Joel Tucker in CO.</p>		1	\$310.00	\$240.00

Shipped on 5.30.2013, Thursday
by Fedex to: Mr. Joel Tucker
1881 9th Street. Suite 110,
Boulder, CO 80302. 913-827-
6604 Fedex tracking# 5451 8226
7800
Paul Hamra US Mailed an
appraisal with Joel's name on it
for this watch.

David is giving this to his diving
friend Joel Tucker in CO.

Ken Bobrow

- ▶ Defendant goes back to Bobrow in 2021 and asks him to invest in a multi-million-dollar property
- ▶ Bobrow agrees to invest but only because Defendant's boss is involved in the deal
- ▶ Bobrow expects to be paid back the money invested
- ▶ Defendant obtained money and said it was a "gift", it was not a gift



Defendant Tricked Bobrow Again...



GIFT LETTER

Applicant(s): **BART M SHEA**
[REDACTED] E GEORGIA AVE
PHOENIX, AZ 85016

Loan Number: [REDACTED] 0773

I, Kenneth Bobrow, do hereby certify the following:
(Donor)

(1) I have made a gift of \$242,591.67 to Bart Shea
(Amount) (Recipient)

Whose relationship is: Cousin
(Relationship)

(2) This gift is to be applied toward the purchase of the property located at:
[REDACTED] E GEORGIA AVE, PHOENIX, AZ 85016
(Property Address)

(3) No repayment of the gift is expected or implied in the form of cash or by future services of the recipient.

(4) The Funds given to the homebuyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them.

(5) The source of this gift is: Wells Fargo- wire direct to title
(Source)

Account Number.: [REDACTED] 39

Kenneth Bobrow [Signature]
Donor Signature Date Borrower Signature BART M SHEA Date

KENNETH BOBROW
Donor Name (Print or Type) Borrower Signature Date

[REDACTED] 5. Happy Valley Rd #20 Scottsdale AZ 85255
Donor Address

[REDACTED] -8242
Donor Phone Number

WARNING: Our Signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment, or both to knowingly make any false statement concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

GIFT LETTER

Applicant(s): **BART M SHEA**
[REDACTED] E GEORGIA AVE
PHOENIX, AZ 85016

Loan Number: [REDACTED] 0773

I, Kenneth S Bobrow, do hereby certify the following:
(Donor)

(1) I have made a gift of \$100,000 to Bart Shea
(Amount) (Recipient)

Whose relationship is: _____
(Relationship)

(2) This gift is to be applied toward the purchase of the property located at:
[REDACTED] E GEORGIA AVE, PHOENIX, AZ 85016
(Property Address)

(3) No repayment of the gift is expected or implied in the form of cash or by future services of the recipient.

(4) The Funds given to the homebuyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them.

(5) The source of this gift is: Personal Checking at Wells - check given for earnest
(Source)

Account Number.: [REDACTED] 39

Kenneth S Bobrow [Signature] 8-23-21
Donor Signature Date Borrower Signature BART M SHEA Date

Kenneth S Bobrow
Donor Name (Print or Type) Borrower Signature Date

[REDACTED] E Happy Valley Rd #20, Scottsdale, AZ 85255
Donor Address

()
Donor Phone Number

WARNING: Our Signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment, or both to knowingly make any false statement concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

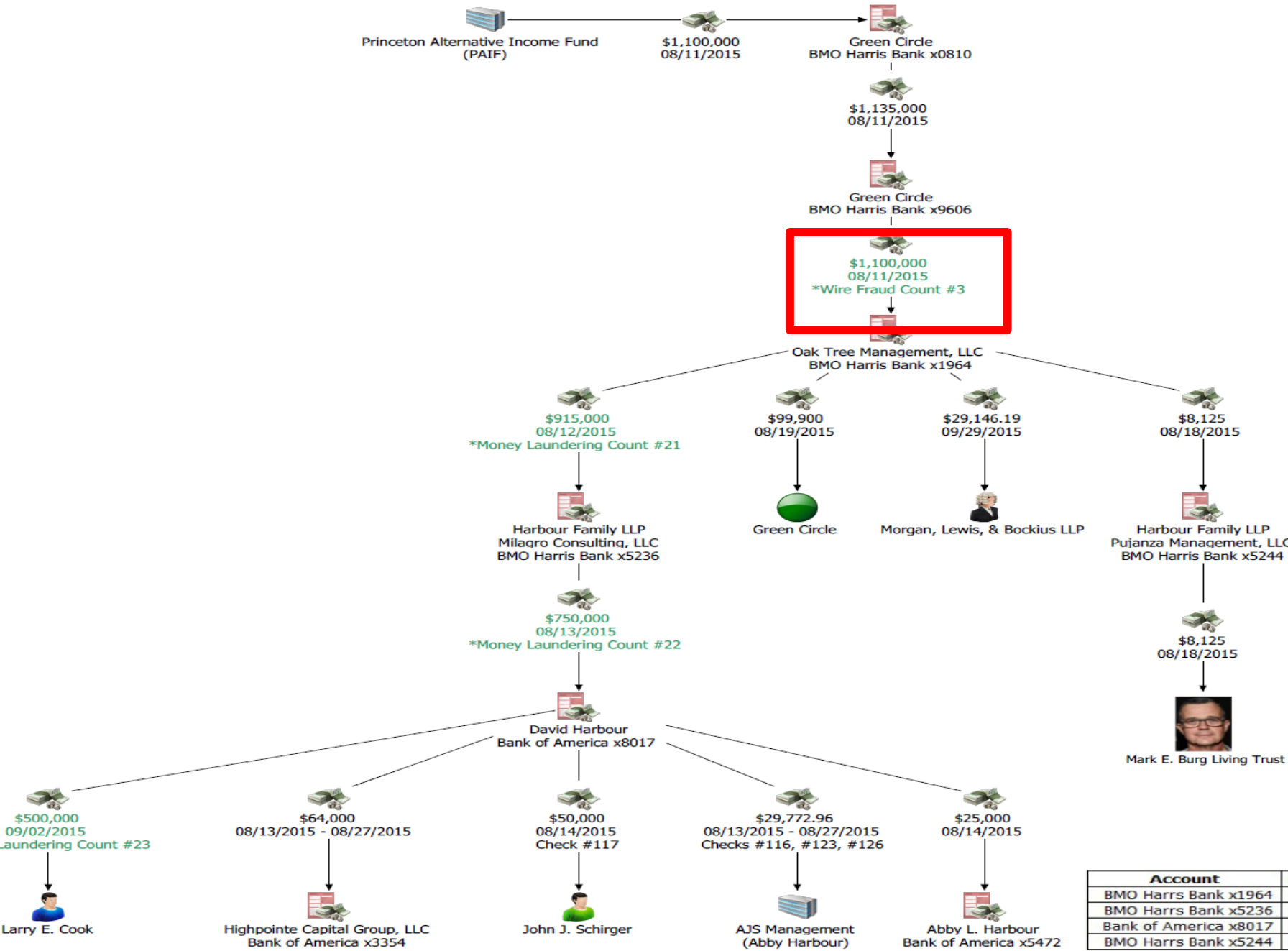
Laura Purifoy

- ▶ Defendant altered borrowing base spreadsheet prior to sending to PAIF
- ▶ It was material to PAIF for the spreadsheet to be accurate to send any funds
- ▶ Defendant used Purifoy's email address after Purifoy left company



Money from Green Circle to Oak Tree Management, LLC

Case 2:19-cr-00898-DLR Document 793-1 Filed 09/25/23 Page 97 of 165



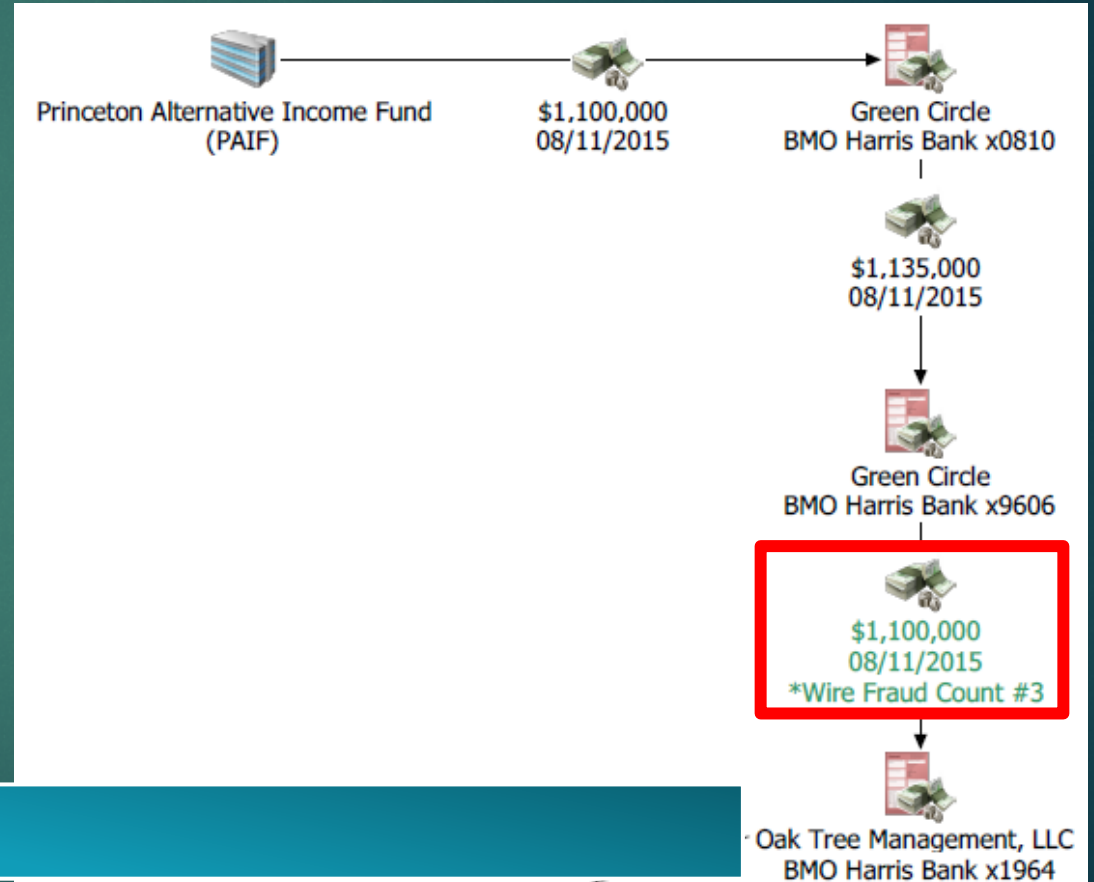
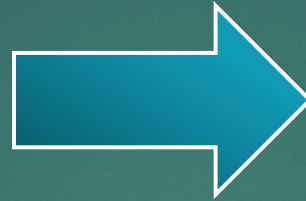
Account	Beginning Balance	Ending Balance	Time Period
BMO Harris Bank x1964	\$ (69.59)	\$ 55,333.04	08/11/2015 - 09/29/2015
BMO Harris Bank x5236	\$ 2,962.25	\$ 58,295.29	08/12/2015 - 08/13/2015
Bank of America x8017	\$ 19,580.88	\$ 64,295.71	08/13/2015 - 09/02/2015
BMO Harris Bank x5244	\$ 166.59	\$ 166.59	08/18/2015

August 2015

Defendant Altered Borrowing Base



Altered
Borrowing Base



\$500,000 to FTC



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS



Jeanette Paige, FBI

- ▶ Analyzed over 50 of Defendant's financial accounts
- ▶ Traced thousands of Defendant's transactions, tracing millions of dollars
- ▶ Created summary charts and underlying detail, all based on bank records



Defendant's Inflows

Craig Jackson, sent \$15M

Joe Cathey, sent \$3M

Ken Bobrow, sent \$2.3M

PAIF, sent \$1.1M

Rhonda Gray, sent \$1M

Mark Burg, sent \$1M

Carol Hill, sent \$581k

Rich Turasky, sent \$500k

Pam Case, sent \$200k

Alison Willson, sent \$100k

\$24.8M Inflows



\$10.4M Returned

Craig Jackson, got \$7.7M

Joe Cathey, got \$3k

Ken Bobrow, got \$2.2M

PAIF, got \$0

Rhonda Gray, got \$137k

Mark Burg, got \$65k

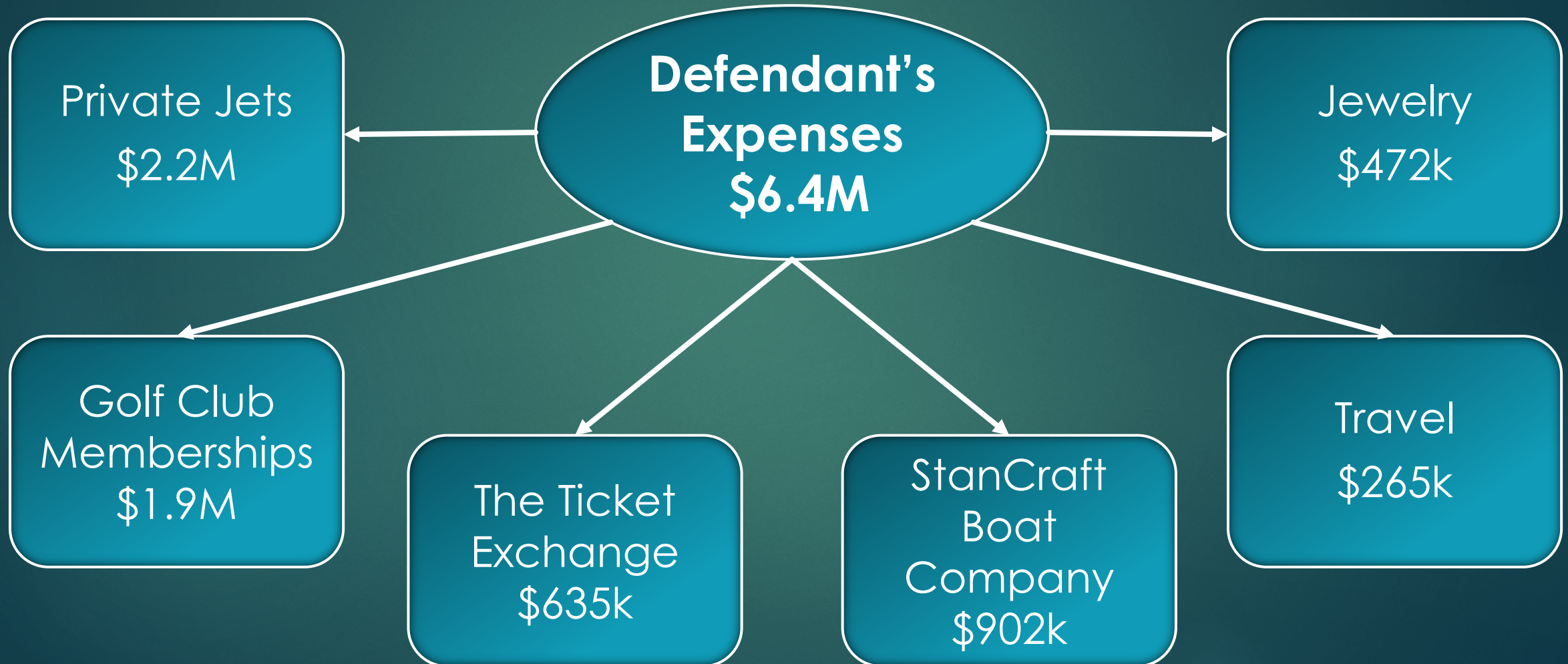
Carol Hill, got \$150k

Rich Turasky, got \$30k

Pam Case, got \$88k

Alison Willson, got \$23k

Defendant's Expenditures (2011 – 2016)





Prior to the start of the trial, Defendant offered to repay Carol Hill, Alison Willson, Rich Turasky, and Mark Burg

Defendant only offered to repay individuals connected to charged counts in the indictment, not Ken Bobrow, Pam Case, Rhonda Gray, Joe Cathey, or Craig Jackson

Defendant's Scheme to Defraud

FUELED BY HIS LIES

Lied and misrepresented to get the money

A light orange downward-pointing arrow indicating the flow from the first step to the second.

Used investor money to enrich himself

A light yellow downward-pointing arrow indicating the flow from the second step to the third.

Used investor money to pay earlier investors

Crimes Charged

Wire Fraud, Counts 1 – 10

Mail Fraud, Counts 11 – 12

Transactional Money
Laundering, Counts 13 – 23

Wire and Mail Fraud, Four Elements

1. Scheme
2. Materiality
3. Intent to Defraud
4. Interstate Wire or Mail

First Element, Scheme

- **Definition:** “Scheme or plan to obtain money by means of false or fraudulent pretenses, representations, and promises.”
- **Plain English:** Not telling the truth to an investor.

Wire and Mail Fraud, Four Elements

1. Scheme



2. Materiality



3. Intent to Defraud

4. Interstate Wire or Mail

Second Element, Materiality

- **Definition:** The false statements or omissions had a “natural tendency to influence,” or “were capable of influencing,” a person to part with money.
- **Plain English:** Merely possible that lies, omissions were important to investors.




Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality 
3. Intent to Defraud
4. Interstate Wire or Mail

Third Element, Intent to Defraud

- **Definition:** Intent to deceive or cheat.
- **No Plain English Needed:** These weren't mistaken false statements.




Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality 
3. Intent to Defraud 
4. Interstate Wire or Mail

Fourth Element, Wire or Mail

- **Definition:** Used, or caused to be used, mail or interstate wires to carry out an essential part of the scheme. It does not matter whether the material mailed or wired was itself deceptive.
- **Plain English:** Sufficient if mail and wires were sent (or received) as part of the scheme.

Wire and Mail Fraud, Four Elements

1. Scheme 
2. Materiality 
3. Intent to Defraud 
4. Interstate Wire or Mail 

Not Guilty**~~X~~ Guilty**

Count 1, Wire Fraud - \$500,000

**Fedwire,
wire through
Federal Reserve**

**Date:
7/30/2014**

Underlying Detail - Oak Tree Management, LLC Northern Trust x1790 July 30, 2014 - September 2, 2014							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Beginning Balance Prior to Richard Turasky's Investment				\$ 1,000.00
2	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Domestic Wire Recvd Wire In #516287 By Fwr#009994 Org=SNI Fund I LLC OTM Green Circle	SNI Fund I, LLC		\$ 500,000.00	\$ 501,000.00
3	Northern Trust x1790	7/30/2014	Service Fee For: Domestic Wire Recv	Bank Fee	\$ (15.00)		\$ 500,985.00
4	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Domestic Wire Sent Wire Out#404209 By Fwr#006481 BNP=Capital Investment Advisor LLC	Capital Investment Advisor LLC (Richard Turasky)	\$ (150,000.00)		\$ 350,985.00
5	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 350,960.00
6	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (1,500.00)		\$ 349,460.00
7	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (10,000.00)		\$ 339,460.00
8	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (35,000.00)		\$ 304,460.00
9	Oak Tree Management, LLC Northern Trust x1790	8/6/2014	Domestic Wire Sent Wire Out #409603 By Fwr#003515 Bnp= Wakpamni Lake Community Corp	Wakpamni Lake Community Corp. (Green Circle)	\$ (50,000.00)		\$ 254,460.00
10	Oak Tree Management, LLC Northern Trust x1790	8/6/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 254,435.00
11	Oak Tree Management, LLC Northern Trust x1790	8/8/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (37,500.00)		\$ 216,935.00

**DAVID****HARBOUR**

July 30, 2014 - September 2, 2014

Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Beginning Balance Prior to Richard Turasky's Investment				\$ 1,000.00
2	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Domestic Wire Recvd Wire In #516287 By Fwr#009994 Org=SNI Fund I LLC OTM Green Circle	SNI Fund I, LLC		\$ 500,000.00	\$ 501,000.00
3	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Service Fee For: Domestic Wire Recv	Bank Fee	\$ (15.00)		\$ 500,985.00
4	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Domestic Wire Sent Wire Out#404209 By Fwr#006481 BNP=Capital Investment Advisor LLC	Capital Investment Advisor LLC (Richard Turasky)	\$ (150,000.00)		\$ 350,985.00
5	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 350,960.00
6	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (1,500.00)		\$ 349,460.00
7	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (10,000.00)		\$ 339,460.00
8	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (35,000.00)		\$ 304,460.00
9	Oak Tree Management, LLC Northern Trust x1790	8/6/2014	Domestic Wire Sent Wire Out #409603 By Fwr#003515 Bnp= Wakpamni Lake Community Corp	Wakpamni Lake Community Corp. (Green Circle)	\$ (50,000.00)		\$ 254,460.00
10	Oak Tree Management, LLC Northern Trust x1790	8/6/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 254,435.00
11	Oak Tree Management, LLC Northern Trust x1790	8/8/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (37,500.00)		\$ 216,935.00
12	Oak Tree Management, LLC Northern Trust x1790	8/12/2014	Check Imprint Charge Ach Debit Check Imprinting Charge Check/ Acc 08/12 4019384 Ppd	Bank Fee	\$ (24.75)		\$ 216,910.25
13	Oak Tree Management, LLC Northern Trust x1790	8/15/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (4,000.00)		\$ 212,910.25
14	Oak Tree Management, LLC Northern Trust x1790	8/20/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (2,000.00)		\$ 210,910.25
15	Oak Tree Management, LLC Northern Trust x1790	8/21/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx5180	21020, LLC Northern Trust x5180	\$ (12,000.00)		\$ 198,910.25
16	Oak Tree Management, LLC Northern Trust x1790	8/22/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (10,000.00)		\$ 188,910.25

Not Guilty**~~X~~ Guilty**

Count 2, Wire Fraud - \$1,000,000

**Fedwire,
wire through
Federal Reserve**

**Date:
12/2/2014**

Underlying Detail - Harbour Family LLP; Pujanza Management, LLC BMO Harris x5244 December 2, 2014 - January 5, 2015							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
	Harbour Family LLP, Pujanza Management, LLC						
2	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/2/2014	FED WIRE TRANSFER CREDIT 010143	Mark E. Burg Living Trust		\$ 1,000,000.00	\$ 1,000,000.00
3	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/3/2014	FED WIRE TRANSFER DEBIT 005685	Oak Tree Management, LLC Northern Trust x1790	\$ (500,000.00)		\$ 500,000.00
4	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/22/2014	FED WIRE TRANSFER DEBIT 141222013001	Oak Tree Management, LLC Northern Trust x1790	\$ (300,000.00)		\$ 200,000.00
5	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/22/2014	ACCT ANALYSIS SERV CHG	Bank Fee	\$ (227.07)		\$ 199,772.93
6	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	1/5/2015	FED WIRE TRANSFER DEBIT 150105010446	Oak Tree Management, LLC Northern Trust x1790	\$ (199,000.00)		\$ 772.93



Underlying Detail - Harbour Family LLP; Pujanza Management, LLC BMO Harris x5244
December 2, 2014 - January 5, 2015

Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/2/2014	Balance Prior to Mark Burg's Investment				\$
2	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/2/2014	FED WIRE TRANSFER CREDIT 010143	Mark E. Burg Living Trust		\$ 1,000,000.00	\$ 1,000,000.00
3	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/3/2014	FED WIRE TRANSFER DEBIT 005685	Oak Tree Management, LLC Northern Trust x1790	\$ (500,000.00)		\$ 500,000.00
4	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/22/2014	FED WIRE TRANSFER DEBIT 141222013001	Oak Tree Management, LLC Northern Trust x1790	\$ (300,000.00)		\$ 200,000.00
5	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	12/22/2014	ACCT ANALYSIS SERV CHG	Bank Fee	\$ (227.07)		\$ 199,772.93
6	Harbour Family LLP, Pujanza Management, LLC BMO Harris x5244	1/5/2015	FED WIRE TRANSFER DEBIT 150105010446	Oak Tree Management, LLC Northern Trust x1790	\$ (199,000.00)		\$ 772.93

Not Guilty**~~X~~ Guilty**

Count 3, Wire Fraud - \$1,100,000

ACH transfer,
transfer through
BMO Harris –
located in Illinois

Underlying Detail - Green Circle BMO Harris x9606 August 11, 2015							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Green Circle BMO Harris x9606	8/11/2015	Beginning Balance				\$ 21,275.20
2	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD Transact24 LLC Settlement 00000000638	Transact24 LLC Settlement		\$ 6,478.09	\$ 27,753.29
3	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01232131200	PDS Settlement		\$ 12,164.70	\$ 39,917.99
4	Green Circle BMO Harris x9606	8/11/2015	AUG 11 PC TRANSFER CREDIT	Green Circle BMO Harris x0810		\$ 1,135,000.00	\$ 1,174,917.99
5	Green Circle BMO Harris x9606	8/11/2015	AUG 11 FED WIRE TRANSFER DEBIT				
6	Green Circle BMO Harris x9606	8/11/2015	AUG 11 WIRE TRANSFER DEBIT 150811009046	Oak Tree Management, LLC BMO Harris Bank x1964	\$ (1,100,000.00)		\$ 44,917.99
7	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD D AND D MARKS 291 CASH C&D 49872	D&D mark	\$ (1,980.00)		\$ 42,937.99
8	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01307321259	PDS Settlement	\$ (5,353.65)		\$ 37,584.34
9	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD MICROBILT CORPOR DATA SVCS 117A1253332	Microbilt Corporation Data Services	\$ (12,764.20)		\$ 24,820.14

Date:
8/11/2015

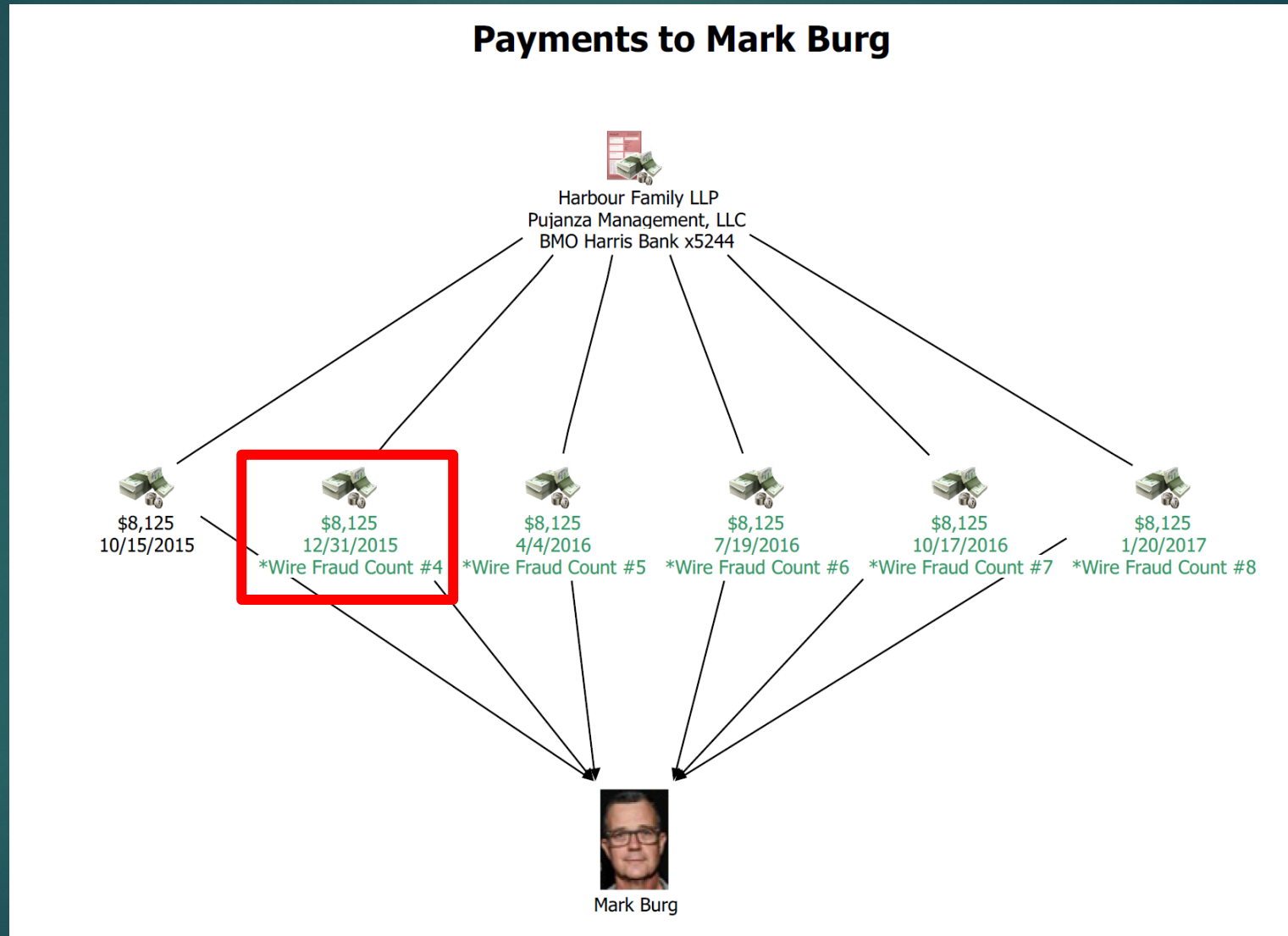


Underlying Detail - Green Circle BMO Harris x9606

August 11, 2015

Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Green Circle BMO Harris x9606	8/11/2015	Beginning Balance				\$ 21,275.20
2	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD Transact24 LLC Settlement 00000000638	Transact24 LLC Settlement		\$ 6,478.09	\$ 27,753.29
3	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01232131200	PDS Settlement		\$ 12,164.70	\$ 39,917.99
4	Green Circle BMO Harris x9606	8/11/2015	AUG 11 PC TRANSFER CREDIT	Green Circle BMO Harris x0810		\$ 1,135,000.00	\$ 1,174,917.99
5	Green Circle BMO Harris x9606	8/11/2015	AUG 11 FED WIRE TRANSFER DEBIT 150811000242	Payment Data Systems	\$ (20,000.00)		\$ 1,144,917.99
6	Green Circle BMO Harris x9606	8/11/2015	AUG 11 WIRE TRANSFER DEBIT 150811009046	Oak Tree Management, LLC BMO Harris Bank x1964	\$ (1,100,000.00)		\$ 44,917.99
7	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD D AND D MARK3291 CASH C&D 49872	D&D mark	\$ (1,980.00)		\$ 42,937.99
8	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD PDS SETTLEMENT G SETTLEMENT 01307321259	PDS Settlement	\$ (5,353.65)		\$ 37,584.34
9	Green Circle BMO Harris x9606	8/11/2015	AUG 11 CCD MICROBILT CORPOR DATA SVCS 117A1253332	Microbilt Corporation Data Services	\$ (12,764.20)		\$ 24,820.14
10	Total Inflows During Reviewed Period					\$ 1,153,642.79	
11	Total Outflows During Reviewed Period					\$ (1,150,097.85)	

Wire Fraud – Counts 4, 5, 6, 7, and 8



Not Guilty**~~X~~ Guilty**

Count 4, Wire Fraud - \$8,125

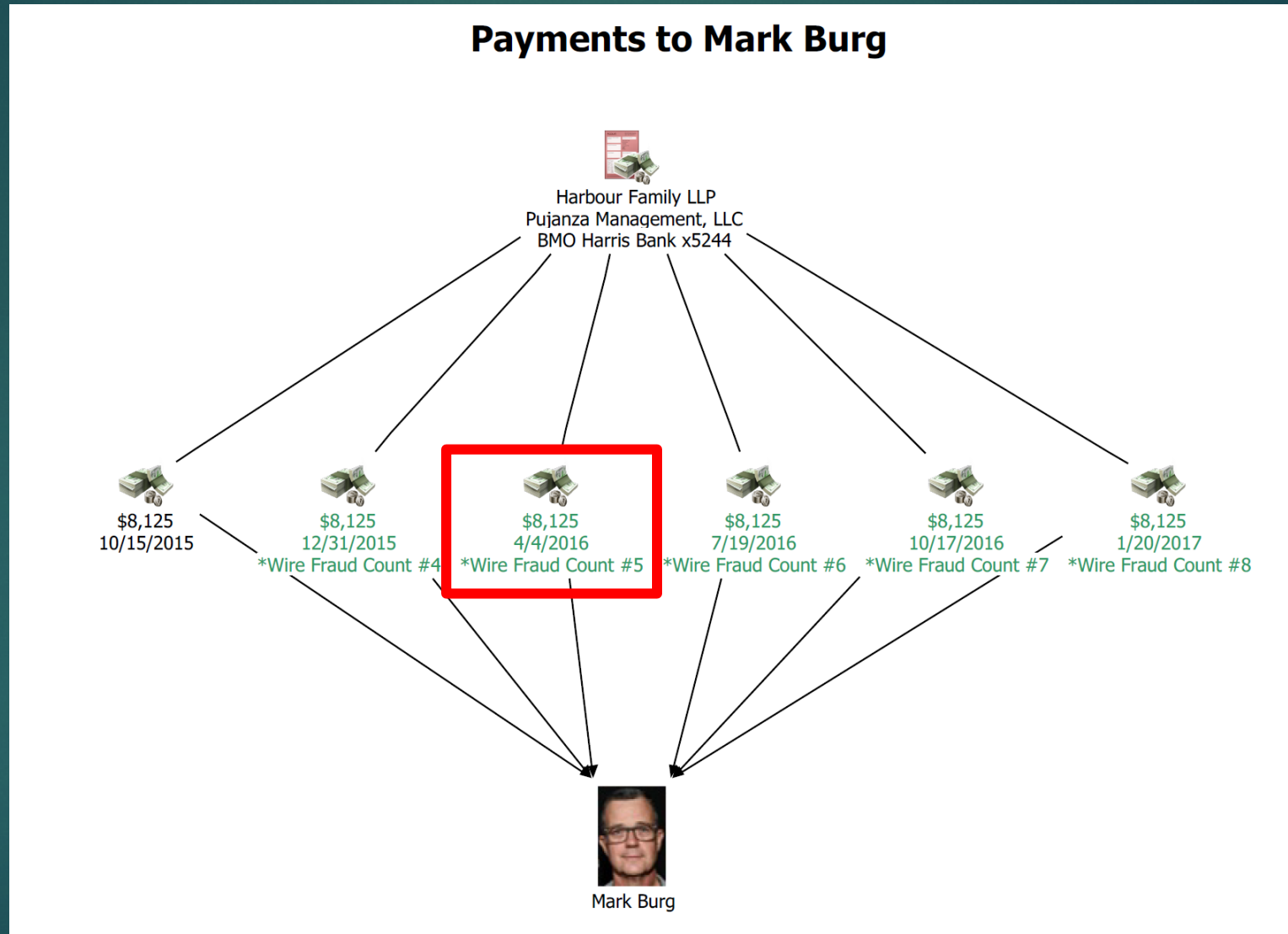
**Fedwire,
wire through
Federal Reserve**

Number	Date	Source	Count
1	10/15/2015	Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964	
2	12/31/2015	Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964	Wire Fraud Count #4
3	4/4/2016	Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964	Wire Fraud Count #5
4	7/19/2016	Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236	Wire Fraud Count #6
5	10/17/2016	Cash Deposit	Wire Fraud Count #7
6	1/20/2017	Two Teller Deposits	Wire Fraud Count #8

**Date:
12/31/2015**



Wire Fraud – Counts 4, 5, 6, 7, and 8



Not Guilty**~~X~~ Guilty**

Count 5, Wire Fraud - \$8,125

**Fedwire,
wire through
Federal Reserve**

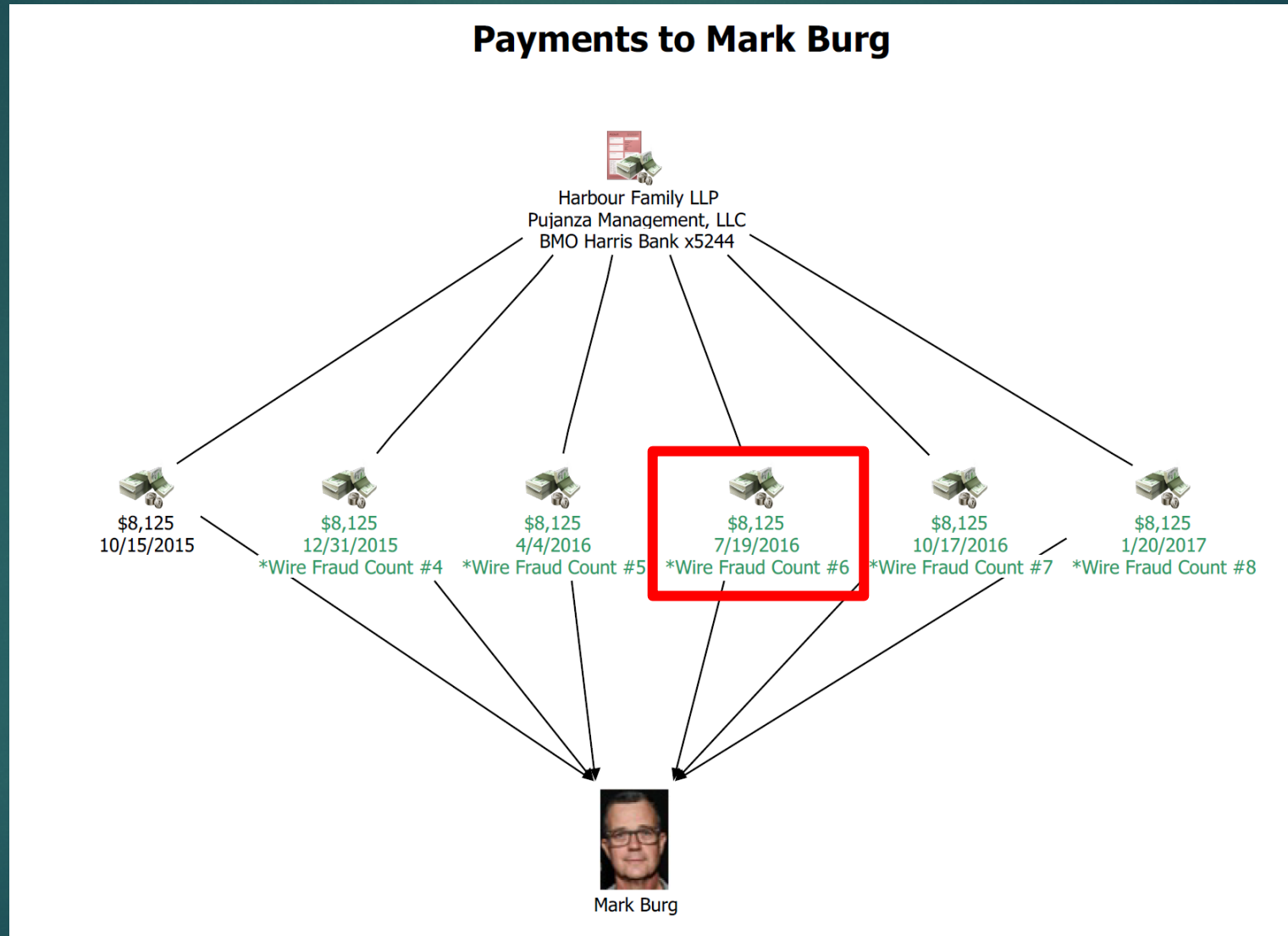


Number	Date	Source	Count
1	10/15/2015	Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964	
2	12/31/2015	Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964	Wire Fraud Count #4
3	4/4/2016	Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964	Wire Fraud Count #5
4	7/19/2016	Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236	Wire Fraud Count #6
5	10/17/2016	Cash Deposit	Wire Fraud Count #7
6	1/20/2017	Two Teller Deposits	Wire Fraud Count #8

**Date:
4/4/2016**



Wire Fraud – Counts 4, 5, 6, 7, and 8



Not Guilty**~~X~~ Guilty**

Count 6, Wire Fraud - \$8,125

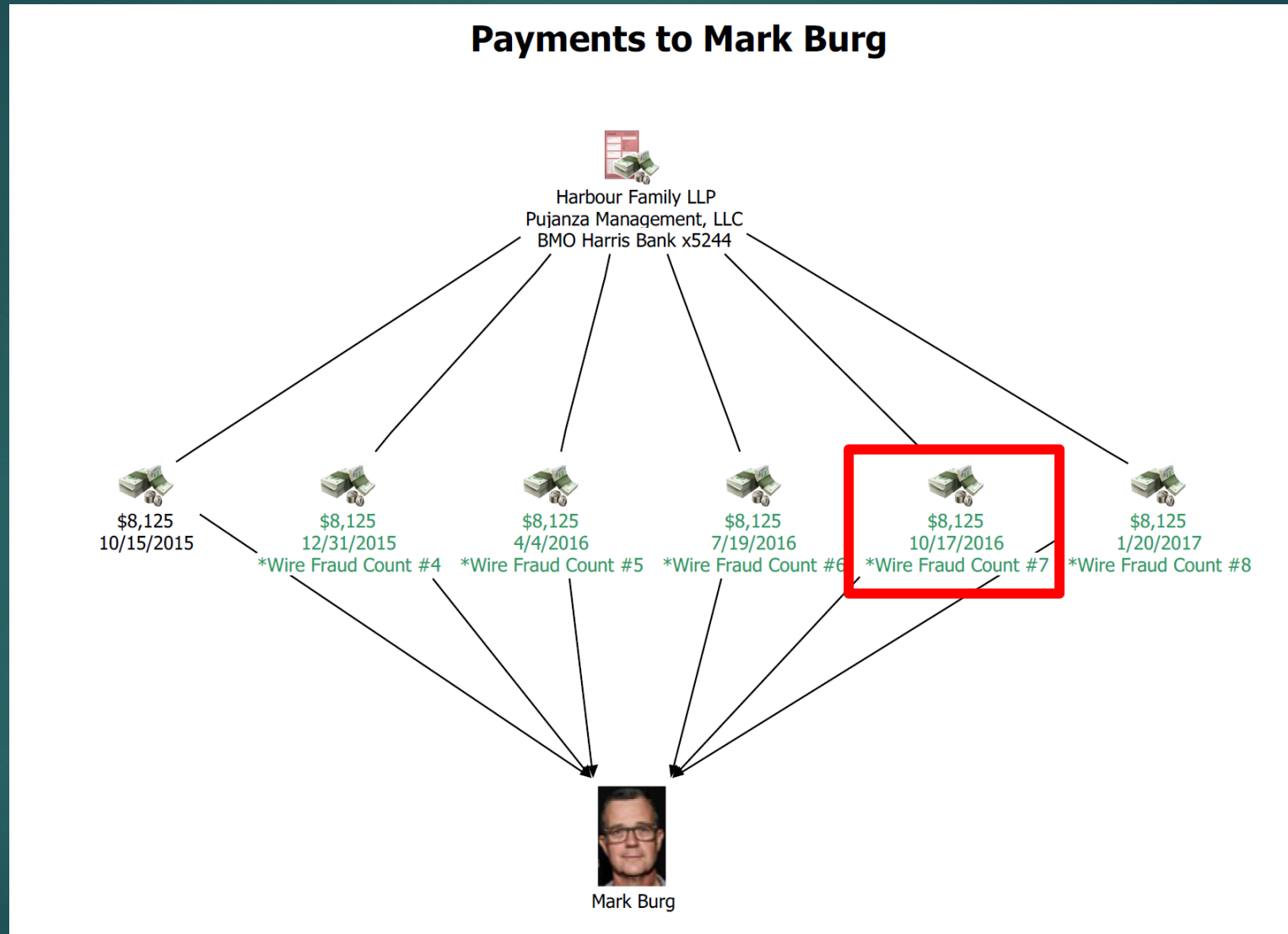
**Fedwire,
wire through
Federal Reserve**

**Date:
7/19/2016**

Number	Date	Source	Count
1	10/15/2015	Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964	
2	12/31/2015	Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964	Wire Fraud Count #4
3	4/4/2016	Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964	Wire Fraud Count #5
4	7/19/2016	Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236	Wire Fraud Count #6
5	10/17/2016	Cash Deposit	Wire Fraud Count #7
6	1/20/2017	Two Teller Deposits	Wire Fraud Count #8



Wire Fraud – Counts 4, 5, 6, 7, and 8



Not Guilty**~~X~~ Guilty**

Count 7, Wire Fraud - \$8,125

**Fedwire,
wire through
Federal Reserve**



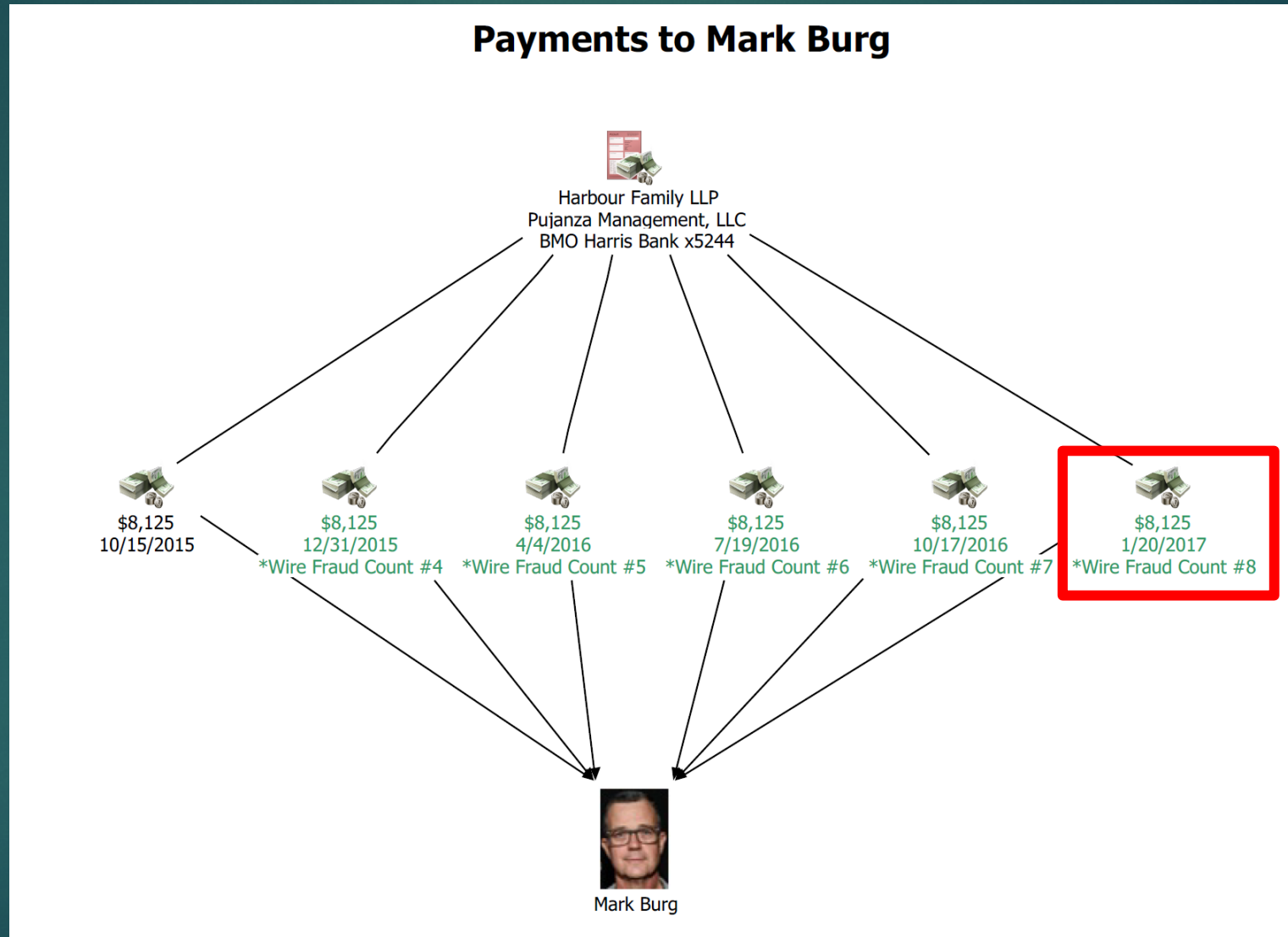
**DAVID
HARBOUR**

Number	Date	Source	Count
1	10/15/2015	Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964	
2	12/31/2015	Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964	Wire Fraud Count #4
3	4/4/2016	Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964	Wire Fraud Count #5
4	7/19/2016	Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236	Wire Fraud Count #6
5	10/17/2016	Cash Deposit	Wire Fraud Count #7
6	1/20/2017	Two Teller Deposits	Wire Fraud Count #8

**Date:
10/17/2016**



Wire Fraud – Counts 4, 5, 6, 7, and 8



Not Guilty**~~X~~ Guilty**

Count 8, Wire Fraud - \$8,125

**Fedwire,
wire through
Federal Reserve**



Number	Date	Source	Count
1	10/15/2015	Transfer from Green Circle BMO x9606 for \$8,125 on 10/14/2015 to Oak Tree BMO x1964	
2	12/31/2015	Transfer from Green Circle BMO x9606 for \$26,875 on 12/31/2015 to Oak Tree BMO x1964	Wire Fraud Count #4
3	4/4/2016	Transfer from Green Circle BMO x9606 for \$8,125 on 4/4/2016 to Oak Tree BMO x1964	Wire Fraud Count #5
4	7/19/2016	Transfer from Green Circle BMO x9606 for \$20,000 on 6/29/2016 to Milagro Consulting BMO x5236	Wire Fraud Count #6
5	10/17/2016	Cash Deposit	Wire Fraud Count #7
6	1/20/2017	Two Teller Deposits	Wire Fraud Count #8

**Date:
1/20/2017**



Not Guilty ~~X~~ Guilty

Count 9, Wire Fraud - \$10,942

Fedwire,
wire through
Federal Reserve

Date:
3/15/2016



GREEN CIRCLE ASSIGNED ACCOUNT F/S/I FINTECH FINANCIAL LLC WAKEPAMNI LAKE HOUSING BATESLAND SD 57716			
MAR 14	TELLER DEPOSIT		199.92
MAR 14	TELLER DEPOSIT		541.01
MAR 14	TELLER DEPOSIT		569.91
MAR 14	CCD PDS SETTLEMENT G SETTLEMENT 11232271196		16,756.84
MAR 14	RETURN ITEMS CHARGEBACK 00041	269.43	
MAR 14	RETURN ITEMS CHARGEBACK 00451	301.35	
MAR 14	OP 160314915449 OUTGOING PAYMENT MTTRF	15,000.00	
MAR 14	FED WIRE TRANSFER DEBIT 160314915542	50,000.00	
MAR 14	PPD ROUND SKY IN7684 DEBITS GREENCIRCLE	220.00	
MAR 14	PPD GIACSYSTEMS4400 31116 3456663	338.04	
MAR 14	CCD PDS SETTLEMENT G SETTLEMENT 11307281259	3,686.27	
MAR 15	TELLER DEPOSIT		677.14
MAR 15	TELLER DEPOSIT		2,798.73
MAR 15	FED WIRE TRANSFER CREDIT 160310876701		9,900.00
MAR 15	FED WIRE TRANSFER CREDIT 160314915449		14,900.00
MAR 15	FED WIRE TRANSFER DEBIT 160315927392	10,942.24	35,308.78



~~Not~~ Guilty ~~X~~ Guilty

Count 10, Wire Fraud - \$11,062

Fedwire,
wire through
Federal Reserve

Date:
6/15/2016



GREEN CIRCLE ASSIGNED ACCOUNT F/S/I FINTECH FINANCIAL LLC WAKEPAMNI LAKE HOUSING BATESLAND SD 57716				
JUN 10	REMOTE DEPOSIT			1,893.46
JUN 10	REMOTE DEPOSIT			1,922.98
JUN 10	REMOTE DEPOSIT			2,103.74
JUN 10	REMOTE DEPOSIT			2,103.90
JUN 10	REMOTE DEPOSIT			2,440.42
JUN 10	REMOTE DEPOSIT			2,458.05
JUN 10	REMOTE DEPOSIT			2,724.01
JUN 10	REMOTE DEPOSIT			2,909.12
JUN 10	REMOTE DEPOSIT			3,131.28
JUN 10	REMOTE DEPOSIT			3,286.05
JUN 10	REMOTE DEPOSIT			3,428.86
JUN 10	TELLER DEPOSIT			3,944.32
JUN 10	TELLER DEPOSIT			6,327.92
JUN 10	CCD PRIORITY PAYOUT 6102016	GREENCIRCLE		20,974.94
JUN 10	DEPOSIT ADJ DEBIT DEPOSITOR ID 0000000000		52.60	
JUN 10	DEPOSIT ADJ DEBIT DEPOSITOR ID 0000000000		56.96	
JUN 10	RETURN ITEMS CHARGEBACK 00349		447.35	
JUN 10	WEB GATEWAY SERVICES WEBPAYMENT		83.40	
JUN 10	CCD PAYDAY LOAN MANA 7752848777		150.00	
JUN 10	CCD ADP PAYROLL FEES ADP - FEES R6YH0579925		197.11	
JUN 10	CCD PAYDAY LOAN MANA 7752848777		300.00	
JUN 13	TELLER DEPOSIT			795.37
JUN 13	RETURN ITEMS CHARGEBACK 00257		247.57	
JUN 13	RETURN ITEMS CHARGEBACK 00456		283.65	
JUN 13	FED WIRE TRANSFER DEBIT 160613966127		7,176.50	
JUN 13	PPD ROUND SKY IN7684 DEBITS	GREENCIRCLE	20.00	
JUN 13	PPD GIACSYSTEMS4400 061016	3459420	169.29	
JUN 13	CCD LEAD FLASH CUST PMTS P1227		640.00	
JUN 13	CCD MICROBLT CORPOR DATA SVCS 117A1299102		9,975.82	
JUN 14	RETURN ITEMS CHARGEBACK 00231		872.49	
JUN 14	RETURN ITEMS CHARGEBACK 00421		931.47	
JUN 14	RETURN ITEMS CHARGEBACK 00420		1,094.55	
JUN 14	RETURN ITEMS CHARGEBACK 00232		1,190.97	
JUN 14	RETURN ITEMS CHARGEBACK 00233		1,320.09	
JUN 14	FED WIRE TRANSFER DEBIT 160614974982		12,000.00	
JUN 14	CCD ADP Tax/401k Tax/401k YH061513A01		100.16	
JUN 15	TELLER DEPOSIT			75.00
JUN 15	TELLER DEPOSIT			853.55
JUN 15	TELLER DEPOSIT			5,104.74
JUN 15	PC TRANSFER CREDIT			20,000.00
JUN 15	RETURN ITEMS CHARGEBACK 00557		611.55	
JUN 15	RETURN ITEMS CHARGEBACK 00294		625.51	
JUN 15	RETURN ITEMS CHARGEBACK 00229			
JUN 15	FED WIRE TRANSFER DEBIT 160615997446		11,062.49	



Omissions with Willson

- ▶ Defendant continued to amend Willson's promissory note throughout the years
- ▶ Defendant left out material items:
 - ▶ FTC Investigation into Canyon Road
 - ▶ Canyon Road taken over by FTC in 2014
- ▶ Willson would not have signed a note had Defendant told her:
 - ▶ Canyon Road Holdings was in an FTC receivership
 - ▶ Canyon Road's assets were seized, and it was no longer working

Delays in Payments to Willson and Hill

- ▶ Defendant received numerous requests from Alison Willson regarding investment and late payments through 2015 and 2016
- ▶ Willson only received three payments for investment, last payment made in 2016
- ▶ Carol Hill's IRA only received one payment to continue to keep the account open
- ▶ Defendant acknowledges investment in text exchange with Hill in 2019



Not Guilty

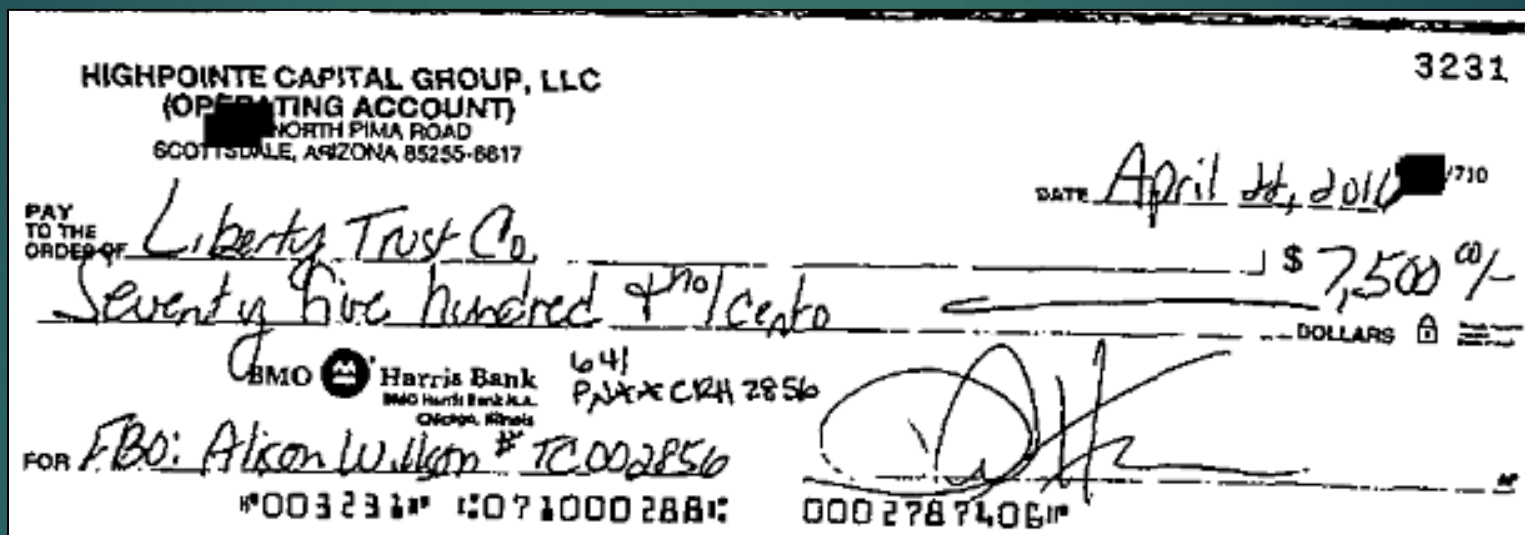
~~X~~ Guilty

Count 11: Mail Fraud - \$7,500



Mail, check
went through US
mail service

Date:
4/22/2016



Arizona



Texas



Mail, check
went through US
mail service

Count #11

Case 2:19-cr-00898-DLR Document 793-1 Filed 09/25/23 Page 135 of 165				
LIBERTY TRUST COMPANY				
c/o IPS				
8226 DOUGLAS AVENUE, SUITE 520				
DALLAS, TX 75225 - 5927				
Account Statement				
From 1/1/2016 To 12/31/2016				
Account #: TC002856				
Alison Lynette Willson				
TRANSACTION SUMMARY				
Date	Description	Shares/Units	Cash Change	Investment Change
Beginning Cash Balance			\$0.00	
Cash				
9/1/16	FEES DEBITED Collected for Period Ending 08/31/2016	0.0000	(\$250.00)	\$0.00
11/8/16	IRA CASH TRANSFER DEPOSIT BY WIRE Wire From: Scottrade	0.0000	\$10,000.00	\$0.00
12/1/16	FEES DEBITED Collected for Period Ending 11/30/2016	0.0000	(\$125.00)	\$0.00
12/1/16	FEES DEBITED Collected for Period Ending 11/30/2016	0.0000	(\$125.00)	\$0.00
Totals for 4 Transactions for:		0.0000	\$9,500.00	\$0.00
Interest Bearing Acct.-Own Inst.				
Third Coast Bank				
1/31/16	INTEREST Third Coast Bank Cash Payable: 1/31/2016	1.7800	\$0.00	\$1.78
2/29/16	INTEREST Third Coast Bank Cash Payable: 2/29/2016	1.6700	\$0.00	\$1.67
3/31/16	INTEREST Third Coast Bank Cash Payable: 3/31/2016	1.7800	\$0.00	\$1.78
4/27/16	PURCHASE OF SWEEP ASSET Third Coast Bank Cash	7,500.0000	(\$7,500.00)	\$7,500.00
4/30/16	INTEREST Third Coast Bank Cash Payable: 4/30/2016	2.0900	\$0.00	\$2.09
5/31/16	INTEREST Third Coast Bank Cash Payable: 5/31/2016	2.1600	\$0.00	\$2.16
6/30/16	INTEREST Third Coast Bank Cash Payable: 6/30/2016	2.0900	\$0.00	\$2.09
7/31/16	INTEREST Third Coast Bank Cash Payable: 7/31/2016	2.1600	\$0.00	\$2.16
8/31/16	INTEREST Third Coast Bank Cash Payable: 8/31/2016	2.1600	\$0.00	\$2.16
9/1/16	SALE OF SWEEP ASSET Third Coast Bank Cash	(250.0000)	\$250.00	(\$250.00)
9/30/16	INTEREST Third Coast Bank Cash Payable: 9/30/2016	2.0800	\$0.00	\$2.08
10/31/16	INTEREST Third Coast Bank Cash Payable: 10/31/2016	2.1500	\$0.00	\$2.15
11/8/16	PURCHASE OF SWEEP ASSET Third Coast Bank Cash	10,000.0000	(\$10,000.00)	\$10,000.00
11/14/16	SALE OF SWEEP ASSET Third Coast Bank Cash	(45,000.0000)	\$45,000.00	(\$45,000.00)
11/30/16	INTEREST Third Coast Bank Cash Payable: 11/30/2016	0.3600	\$0.00	\$0.36
12/1/16	SALE OF SWEEP ASSET Third Coast Bank Cash	(250.0000)	\$250.00	(\$250.00)
12/12/16	PURCHASE OF SWEEP ASSET Third Coast Bank Cash	650.0000	(\$650.00)	\$650.00
12/31/16	INTEREST Third Coast Bank Cash Payable: 12/31/2016	0.3900	\$0.00	\$0.39
Loans & Notes Receivable				
Note To: Canyon Road Holdings, LLC				
4/27/16	LOAN PAYMENT - INTEREST Note To: Canyon Road Holdings, LLC	0.0000	\$7,500.00	\$0.00
Totals for 1 Transactions for: Note To: Canyon Road Holdings, LLC		0.0000	\$7,500.00	\$0.00
Note To: Timothy J. Benson, P.C.				
11/14/16	PURCHASE OF ASSET BY WIRE Note To: Timothy J. Benson, P.C. Wire To: BBVA Compass Bank	1.0000	(\$45,000.00)	\$45,000.00
12/12/16	LOAN PAYMENT - INTEREST Note To: Timothy J. Benson, P.C.	0.0000	\$650.00	\$0.00
Totals for 2 Transactions for: Note To: Timothy J. Benson, P.C.		1.0000	(\$44,350.00)	\$45,000.00

Not Guilty

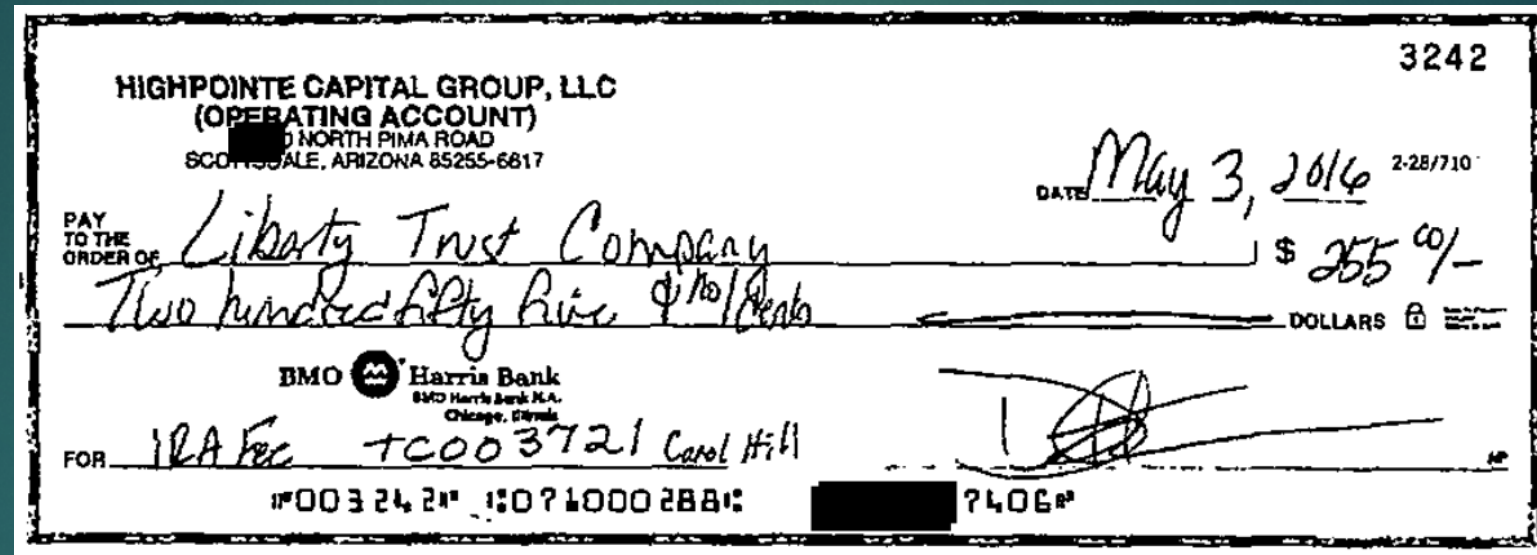
~~X~~ Guilty

Count 12: Mail Fraud - \$255



Mail, check went through US mail service

Date:
5/3/2016





Mail, check
went through US
mail service

Count #12



BMO Harris Bank

A part of BMO Financial Group

BMO HARRIS BANK N.A.
P.O. BOX 755
CHICAGO, IL 60690

ACCOUNT NUMBER: [REDACTED]-740-6

STATEMENT PERIOD
05/01/16 TO 05/31/16

PAGE: 1 OF 2

HIGHPOINTE CAPITAL GROUP LLC
[REDACTED] N PIMA RD
SCOTTSDALE AZ 85255

ITEMS ENCLOSED 0

BUSINESS ACCESS CHECKING

ACCOUNT NUMBER [REDACTED] 740-6

ACCOUNT SUMMARY

YOUR PREVIOUS BALANCE WAS 143,992.71
YOUR TRANSACTIONS THIS PERIOD INCLUDED:
3 DEPOSITS 8,308.39
20 WITHDRAWALS 93,226.61
YOUR ENDING BALANCE WAS 59,074.49
YTD INTEREST PAID IS .00
YTD INTEREST WITHHELD IS .00

TRANSACTIONS LISTED BY DATE POSTED

DATE POSTED	TRANSACTION DESCRIPTION		WITHDRAWALS OTHER DEBITS	DEPOSITS OTHER CREDITS
MAY 03	TELLER DEPOSIT			3,264.25
MAY 13	CCD INTEGRA PAYROLL INVOICE	H004625	2,737.96	
MAY 13	CCD INTEGRA PAYROLL INVOICE	H004626	6,474.73	
MAY 23	WEB AMEX EPayment ACH PMT	M8194	55,223.96	
MAY 23	ACCT ANALYSIS SERV CHG		23.17	
MAY 27	TELLER DEPOSIT			44.14
MAY 31	TELLER DEPOSIT			5,000.00
MAY 31	CCD INTEGRA PAYROLL INVOICE	H004651	2,175.20	

THE FOLLOWING CHECKS ARE INCLUDED IN THIS STATEMENT

NUMBER	AMOUNT	DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT	DATE
03234	745.42	05/02	03240	630.00	05/04	03245	123.33	05/24
03236*	4,650.00	05/05	03241	828.12	05/05	03246	745.42	05/25
03237	2,000.00	05/03	03242	255.00	05/09	03247	367.45	05/24
03238	5,000.00	05/06	03243	2,583.33	05/10	03248	147.97	05/23
03239	53.70	05/04	03244	1,686.35	05/20	03249	77.50	05/31
SUBTOTAL	26,591.58							

BILLING DATE: 2/3/2015
INVOICE NO: 4852
BILLING PERIOD: 1/1/2015 - 1/31/2015

L * T * C

LIBERTY TRUST COMPANY

C/O IPS
8226 DOUGLAS AVENUE, SUITE 520
DALLAS, TX 75225 - 5927

Bill To

Carol M. Hill
5689 E. Bell Street
Apache Junction, AZ 85119

Carol M. Hill TRAD IRA
ACCOUNT NUMBER: TC003721

Billing Summary

Date	Description	Transaction Amount	Quantity	Rate	Amount	Balance
Balance Forward						\$205.00
	Annual Account Maintenance Fee		1	\$125.00	\$125.00	
	Promissory Note Holding Fee Note To: Northrock, LLC		1	\$125.00	\$125.00	
	Miscellaneous Fee 1/31/2015 Invoice Fee				\$5.00	
Total Fees Assessed for Current Period						\$255.00
2/3/2015	Collected for Period Ending 01/31/2015				(\$0.94)	
Total Payment/Fees Collected from Account						(\$0.94)
Balance Due						\$459.06

MAKE CHECKS PAYABLE TO: Liberty Trust Company, Ltd.
Please Include ACCOUNT NUMBER on Check

Any fees that are unpaid for more than 30 days will be debited
from your account, to the extent funds are available.

Please remit \$459.06 by 3/ 9/15 to:

LIBERTY TRUST COMPANY, LTD.
C/O IPS
8226 DOUGLAS AVENUE, SUITE 520
DALLAS, TX 75225

Mail, check
went through US
mail service

Count #12

Money Laundering, Five Elements

1. Monetary Transaction
2. Criminally Derived Property
3. Worth More Than \$10,000
4. Derived From Wire or Mail Fraud
5. Occurred in the United States

First Element, Monetary Transaction

- **Plain English:** Any financial transaction involving a federally insured bank.
- **Proof:** Counts 13 – 23 all involve accounts at Northern Trust, Bank of America, and BMO Harris are federally insured banks.

Money Laundering, Five Elements

1. Monetary Transaction



2. Criminally Derived Property

3. Worth More Than \$10,000

4. Derived From Wire or Mail Fraud

5. Occurred in the United States

Second Element, Criminally Derived Property

- **Plain English:** Defendant knew the money was derived from a criminal offense.
- **Proof:** Defendant obtained investor money from both wire fraud.

Money Laundering, Five Elements

1. Monetary Transaction



2. Criminally Derived Property



3. Worth More Than \$10,000

4. Derived From Wire or Mail Fraud

5. Occurred in the United States

Third Element, Worth More Than \$10,000

- **Plain English:** The property had a value greater than \$10,000.
- **Proof:** Each transaction in counts 13 – 23 involved more than \$10,000.

Money Laundering, Five Elements

1. Monetary Transaction



2. Criminally Derived Property



3. Worth More Than \$10,000







4. Derived From Wire Fraud

5. Occurred in the United States

Fourth Element, Derived From Wire Fraud

- **Plain English:** The money involved in the transfers had to be “derived” from wire fraud.
- **Proof:** All of the money Defendant obtained was due to wire fraud.

Money Laundering, Five Elements

1. Monetary Transaction 
2. Criminally Derived Property 
3. Worth More Than \$10,000 
4. Derived From Wire or Mail Fraud 
5. Occurred in the United States

Fifth Element, Occurred in the United States

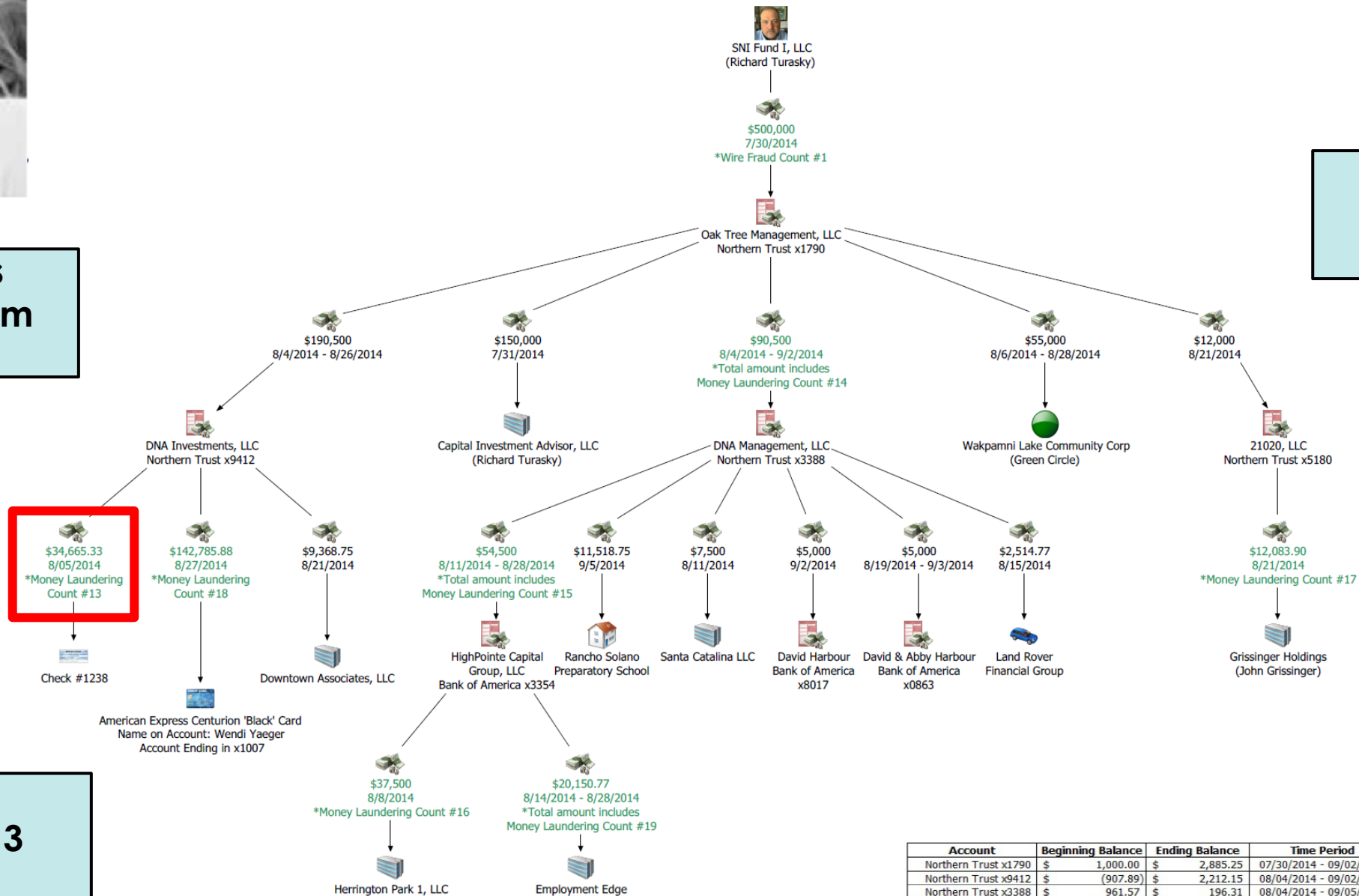
- **Plain English:** The transaction occurred in the United States
- **Proof:** Each transaction in counts 13 – 23 involve accounts at Northern Trust, Bank of America, and BMO Harris which are financial institutions located in the United States.

Money Laundering, Five Elements

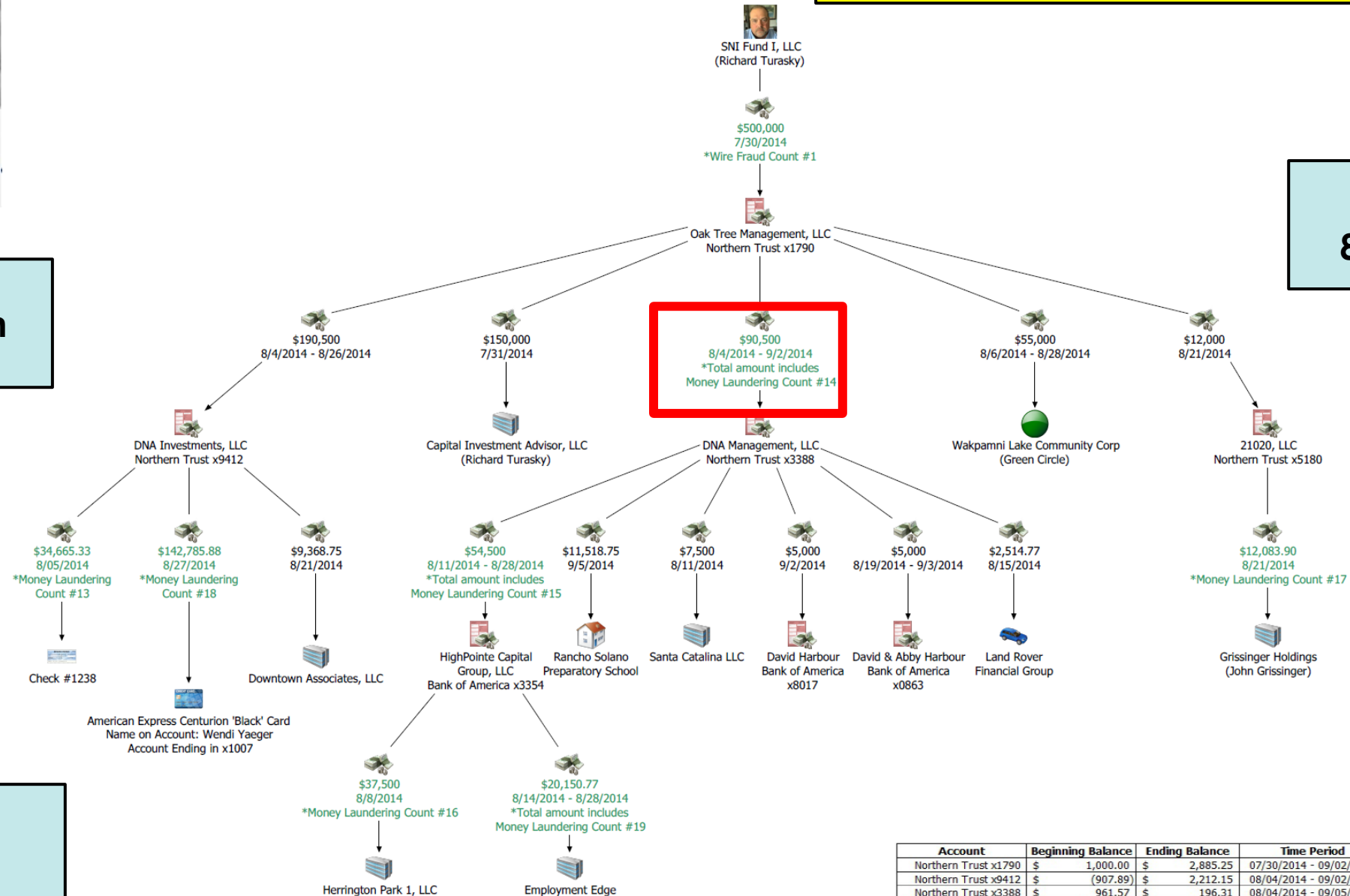
1. Monetary Transaction
2. Criminally Derived Property
3. Worth More Than \$10,000
4. Derived From Wire or Mail Fraud
5. Occurred in the United States



Richard Turasky's Inv

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/5/2014****Count #13**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

**DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/8/2014****Count #14**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

Count 14, Money Laundering \$37,500



**DAVID
HARBOUR**

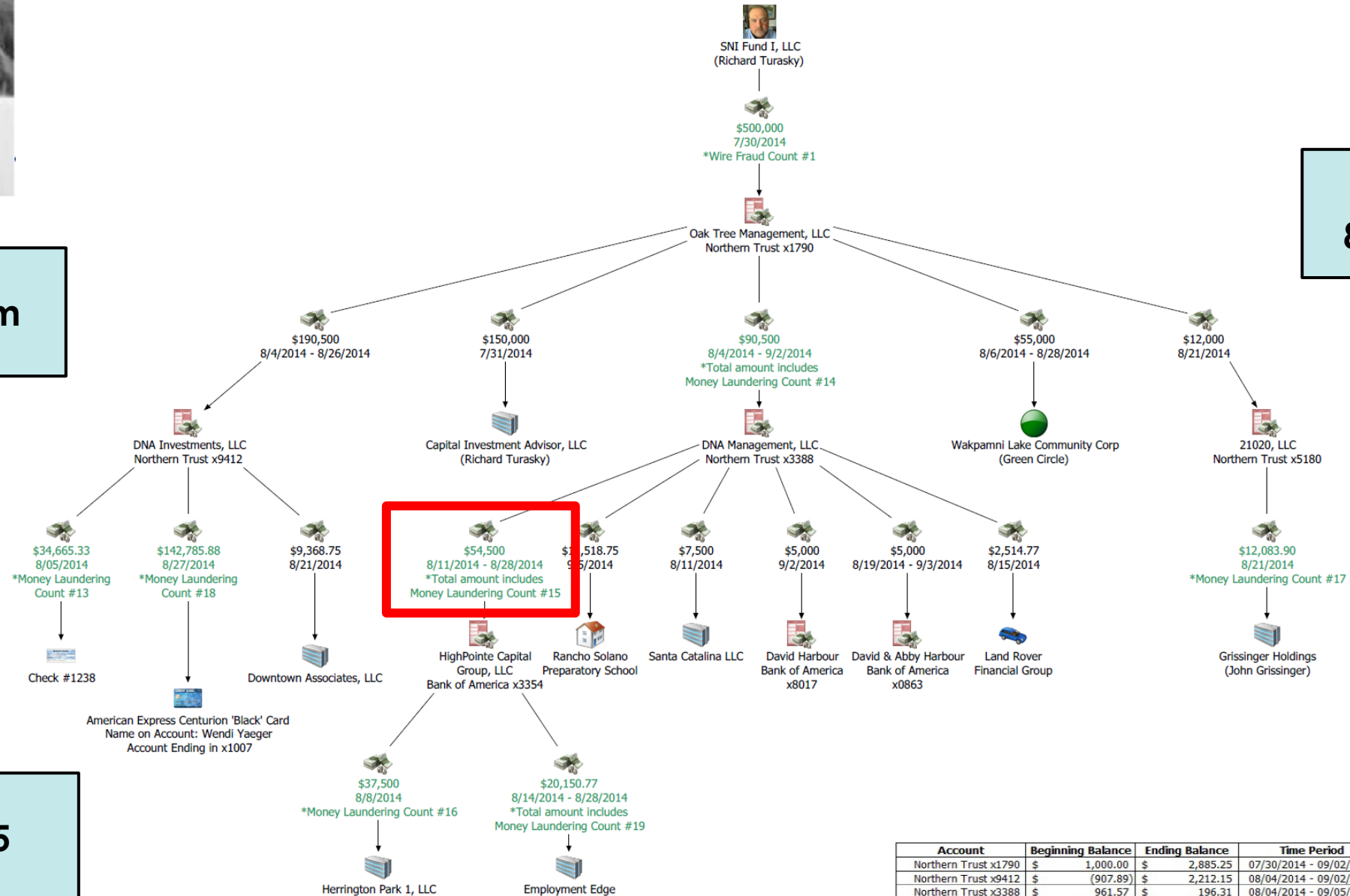
**Proceeds
derived from
count #1**

**Date:
8/8/2014**

Underlying Detail - Oak Tree Management, LLC Northern Trust x1790 July 30, 2014 - September 2, 2014							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Beginning Balance Prior to Richard Turasky's Investment				\$ 1,000.00
2	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Domestic Wire Recvd Wire In #516287 By Fwr#009994 Org=SNI Fund I LLC OTM Green Circle	SNI Fund I, LLC		\$ 500,000.00	\$ 501,000.00
3	Oak Tree Management, LLC Northern Trust x1790	7/30/2014	Service Fee For: Domestic Wire Recv	Bank Fee	\$ (15.00)		\$ 500,985.00
4	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Domestic Wire Sent Wire Out#404209 By Fwr#006481 BNP=Capital Investment Advisor LLC	Capital Investment Advisor LLC (Richard Turasky)	\$ (150,000.00)		\$ 350,985.00
5	Oak Tree Management, LLC Northern Trust x1790	7/31/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 350,960.00
6	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (1,500.00)		\$ 349,460.00
7	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (10,000.00)		\$ 339,460.00
8	Oak Tree Management, LLC Northern Trust x1790	8/4/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (35,000.00)		\$ 304,460.00
9	Oak Tree Management, LLC Northern Trust x1790	8/6/2014	Domestic Wire Sent Wire Out #409603 By Fwr#003515 Bnp= Wakpamni Lake Community Corp	Wakpamni Lake Community Corp. (Green Circle)	\$ (50,000.00)		\$ 254,460.00
10	Oak Tree Management, LLC Northern Trust x1790	8/8/2014	Service Fee For: Domestic Wire Sent	Bank Fee	\$ (25.00)		\$ 254,435.00
11	Oak Tree Management, LLC Northern Trust x1790	8/8/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (37,500.00)		\$ 216,935.00
12	Oak Tree Management, LLC Northern Trust x1790	8/12/2014	Charge Check/ Acc 08/12 4019384 Ppd	Bank Fee	\$ (24.75)		\$ 216,910.25
13	Oak Tree Management, LLC Northern Trust x1790	8/15/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (4,000.00)		\$ 212,910.25
14	Oak Tree Management, LLC Northern Trust x1790	8/20/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx3388	DNA Management, LLC Northern Trust x3388	\$ (2,000.00)		\$ 210,910.25
15	Oak Tree Management, LLC Northern Trust x1790	8/21/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx5180	21020, LLC Northern Trust x5180	\$ (12,000.00)		\$ 198,910.25
16	Oak Tree Management, LLC Northern Trust x1790	8/22/2014	Phone Transfer Debit Prvt Passport Trf To xxxxxx9412	DNA Investments, LLC Northern Trust x9412	\$ (10,000.00)		\$ 188,910.25

Count #14

Richard Turasky's Inv

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/11/2014****Count #15**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

Count 15, Money Laundering \$37,500



**DAVID
HARBOUR**

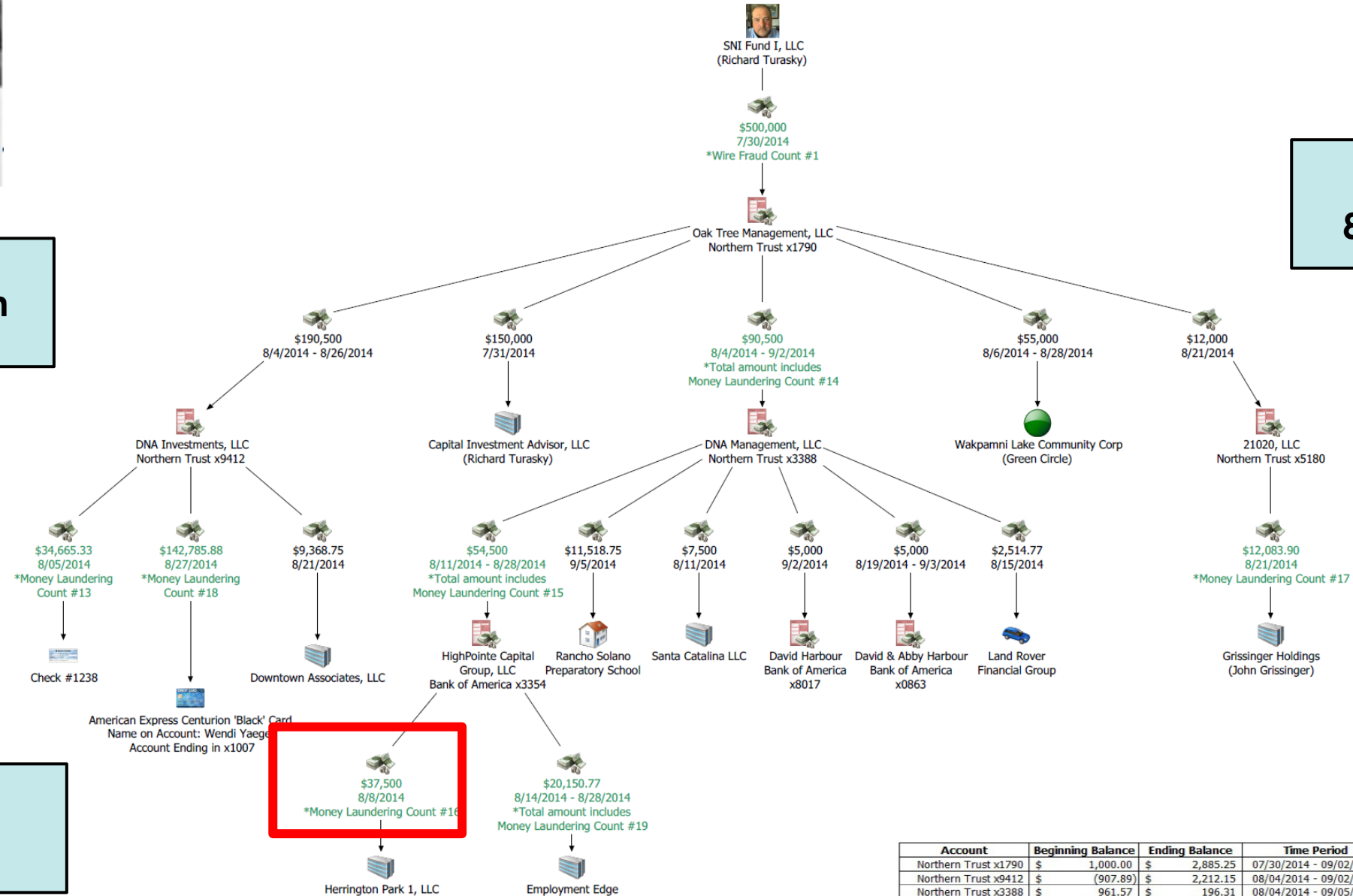
**Proceeds
derived from
count #1**

**Date:
8/11/2014**

Count #15

Underlying Detail - DNA Management, LLC Northern Trust x3388 August 4, 2014 - September 5, 2014							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	DNA Management, LLC Northern Trust x3388	8/4/2014	Beginning Balance Prior to Transfers from NT x1790				\$ 961.57
2	DNA Management, LLC Northern Trust x3388	8/4/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 10,000.00	\$ 10,961.57
3	DNA Management, LLC Northern Trust x3388	8/8/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 37,500.00	\$ 48,461.57
4	DNA Management, LLC Northern Trust x3388	8/11/2014	Check #5228	HighPointe Capital Group, LLC Bank of America x3354	\$ (37,500.00)		\$ 9,069.83
5	DNA Management, LLC Northern Trust x3388	8/11/2014	Check #5229	HighPointe Capital Group, LLC Bank of America x3354	\$ (37,500.00)		\$ 9,069.83
6	DNA Management, LLC Northern Trust x3388	8/11/2014	Check #5227	Santa Catalina LLC	\$ (7,500.00)		\$ 1,569.83
7	DNA Management, LLC Northern Trust x3388	8/15/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 4,000.00	\$ 5,569.83
8	DNA Management, LLC Northern Trust x3388	8/15/2014	Check #5231	Land Rover Financial Group	\$ (2,514.77)		\$ 3,055.06
9	DNA Management, LLC Northern Trust x3388	8/18/2014	Check #5232	Abby Harbour dba AJS Management, LLC U.S. Bank x0603	\$ (2,300.00)		\$ 755.06
10	DNA Management, LLC Northern Trust x3388	8/18/2014	Check #5230	Marilyn Kieffer-Andrews, RNP	\$ (350.00)		\$ 405.06
11	DNA Management, LLC Northern Trust x3388	8/19/2014	Check #5233	David & Abby Harbour Bank of America x0863	\$ (2,000.00)		\$ (1,594.94)
12	DNA Management, LLC Northern Trust x3388	8/20/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 2,000.00	\$ 405.06
13	DNA Management, LLC Northern Trust x3388	8/20/2014	Overdraft Fee For Overdraft Check # 5233	Bank Fee	\$ (30.00)		\$ 375.06
14	DNA Management, LLC Northern Trust x3388	8/27/2014	Check #5234	Jim Brown	\$ (500.00)		\$ (124.94)
15	DNA Management, LLC Northern Trust x3388	8/28/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 17,000.00	\$ 16,875.06
16	DNA Management, LLC Northern Trust x3388	8/28/2014	Check #5236	HighPointe Capital Group, LLC Bank of America x3354	\$ (17,000.00)		\$ (124.94)
17	DNA Management, LLC Northern Trust x3388	8/28/2014	Overdraft Fee For Overdraft CHECK # 5234	Bank Fee	\$ (30.00)		\$ (154.94)
18	DNA Management, LLC Northern Trust x3388	8/29/2014	Phone Transfer Credit PRVT Passport TRF From x1790	Oak Tree Management, LLC Northern Trust x1790		\$ 17,000.00	\$ 16,845.06

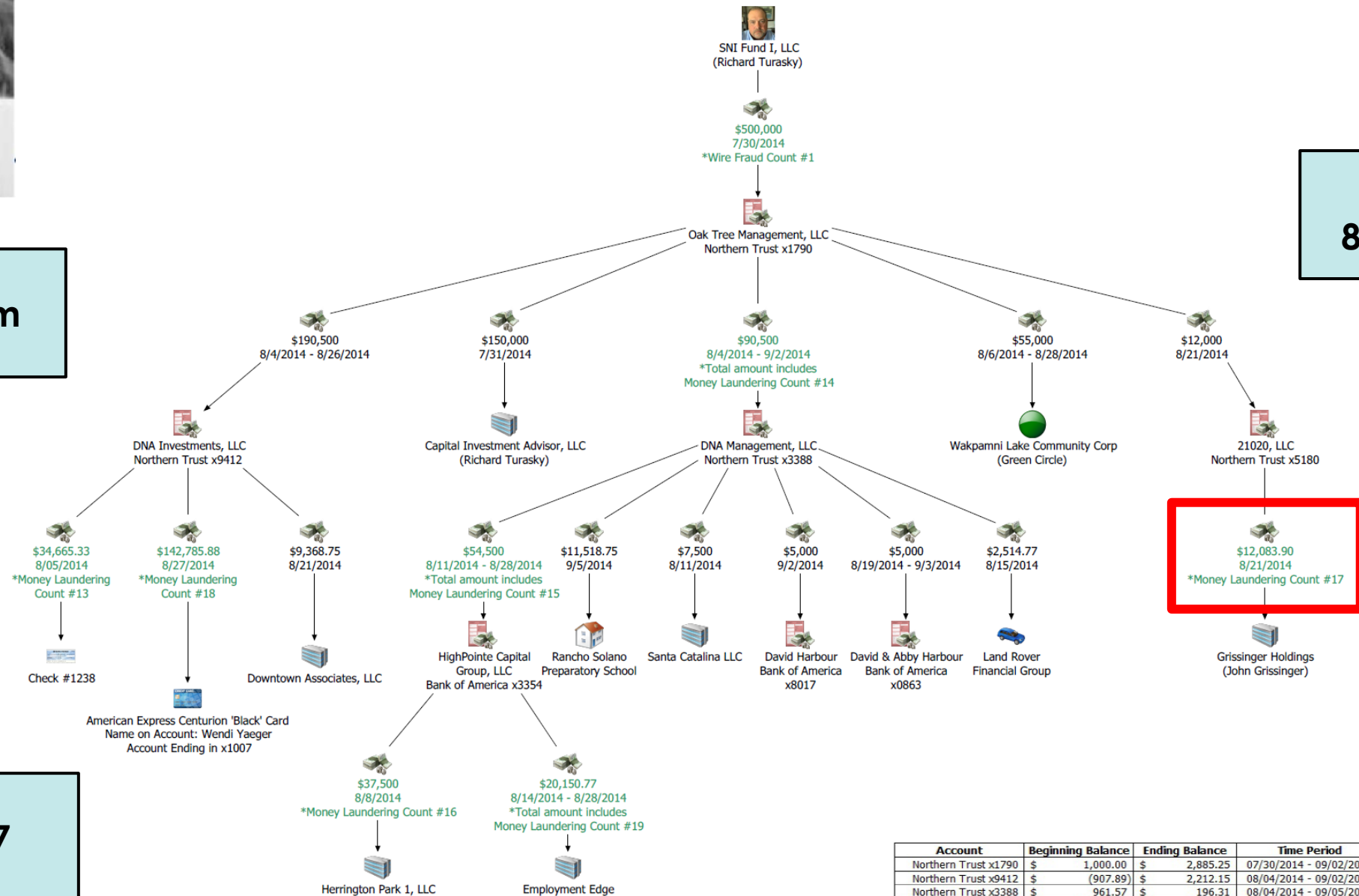
Richard Turasky's In

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/8/2014****Count #16**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

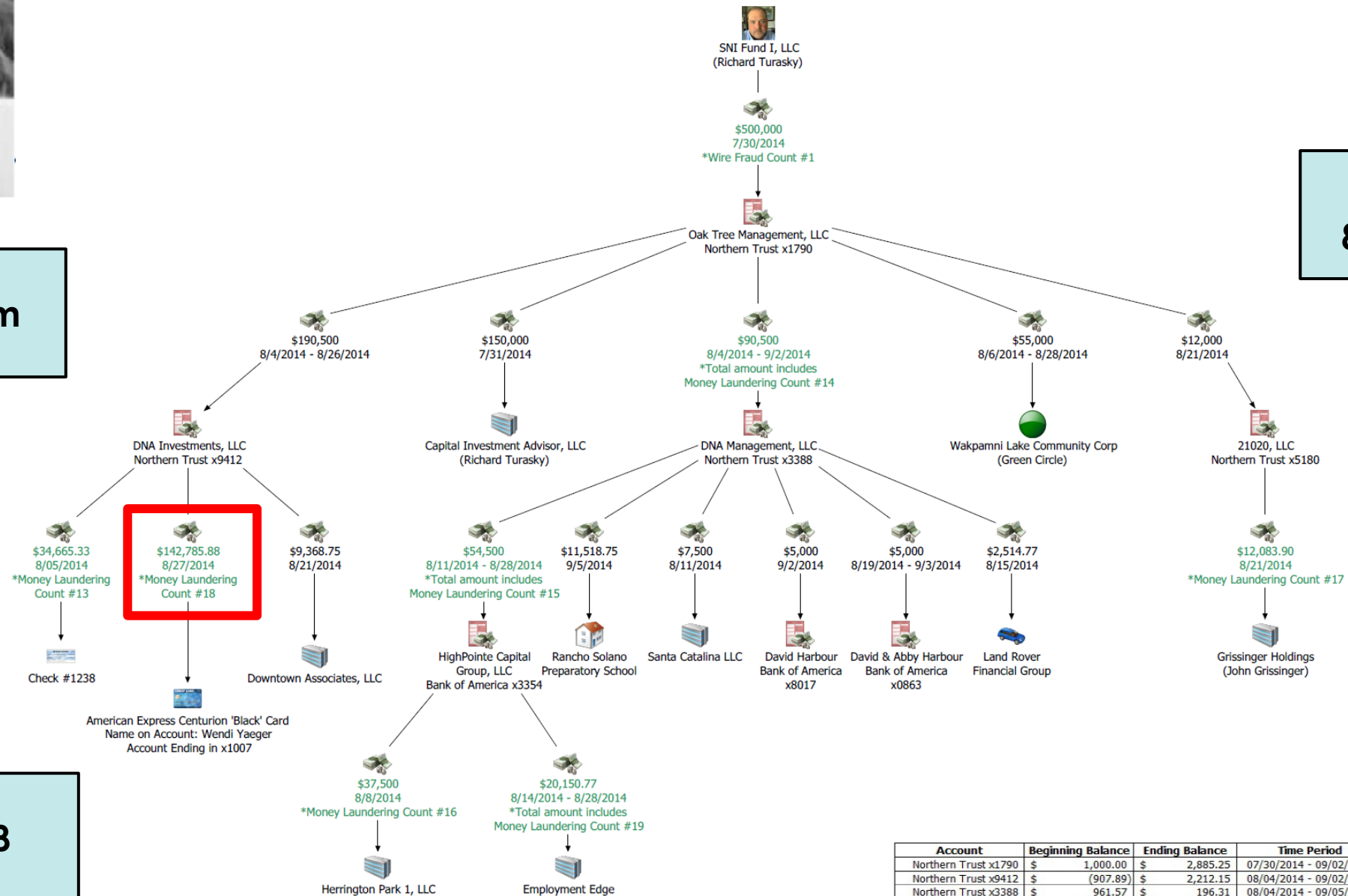
Ex. 912, Page 1

Richard Turasky's Inv

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/21/2014****Count #17**

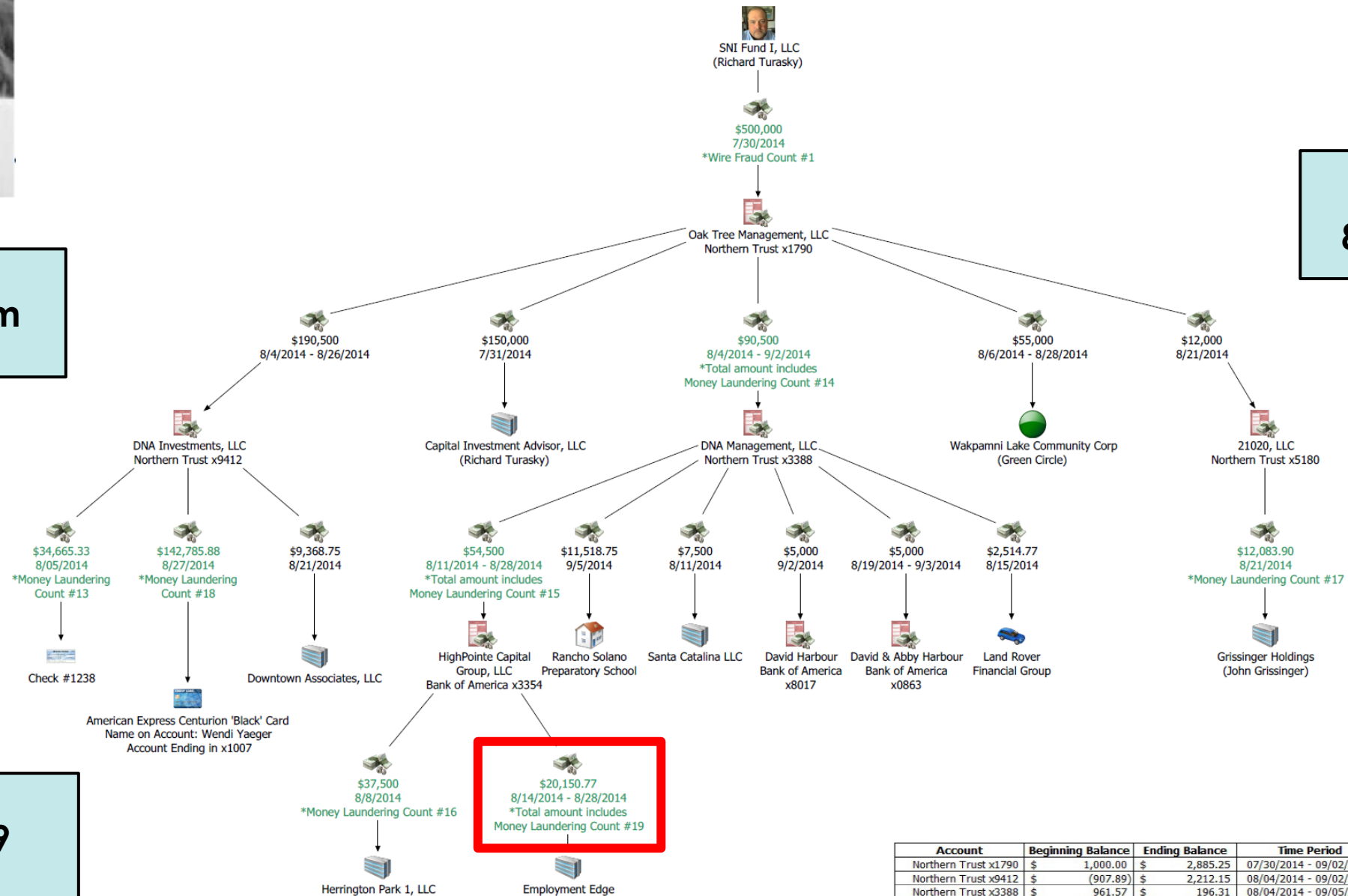
Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

Richard Turasky's Inv

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/27/2014****Count #18**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014

Richard Turasky's Inv

Not Guilty**~~X~~ Guilty****DAVID
HARBOUR****Proceeds
derived from
count #1****Date:
8/28/2014****Count #19**

Account	Beginning Balance	Ending Balance	Time Period
Northern Trust x1790	\$ 1,000.00	\$ 2,885.25	07/30/2014 - 09/02/2014
Northern Trust x9412	\$ (907.89)	\$ 2,212.15	08/04/2014 - 09/02/2014
Northern Trust x3388	\$ 961.57	\$ 196.31	08/04/2014 - 09/05/2014
Bank of America x3354	\$ 17,145.33	\$ 4,595.34	08/08/2014 - 08/28/2014
Northern Trust x5180	\$ 1,612.31	\$ 1,528.41	08/21/2014



**DAVID
HARBOUR**

**Proceeds
derived from
count #1**

Count #19

Underlying Detail - HighPointe Capital Group, LLC Bank of America x3354 August 8, 2014 - August 28, 2014							
Item Number	Account	Posted Date	Description	Paid To/From	Outflows Detail	Inflows Detail	Balance
1	HighPointe Capital Group, LLC Bank of America x3354	8/8/2014	Beginning Balance				\$ 17,145.33
2	HighPointe Capital Group, LLC Bank of America x3354	8/8/2014	Counter Credit (Check #5229 Deposited)	DNA Management, LLC Northern Trust x3388		\$ 37,500.00	\$ 54,645.33
3	HighPointe Capital Group, LLC Bank of America x3354	8/8/2014	WIRE TYPE:WIRE OUT DATE:140808 TIME:1515 ET 903708080272749 TRN:2014080800272749 SERVICE REF:009636 BNF:Herrington Park 1, LLC ID:246522 BNF BK:Bank OF Blue Valley ID:101005027 PMT DET:1488F13255HG0E7 4	Herrington Park 1, LLC	\$ (37,500.00)		\$ 17,145.33
4	HighPointe Capital Group, LLC Bank of America x3354	8/12/2014	CHECK #3018	INCA	\$ (10,312.50)		\$ 6,832.83
5	HighPointe Capital Group, LLC Bank of America x3354	8/14/2014	EMPLOYMENT EDGE DES:INVOICE ID:H024552 902525013761051 INDN:MAIN C ID:2271549152 CCD	Employment Edge	\$ (6,468.08)		\$ 364.75
6	HighPointe Capital Group, LLC Bank of America x3354	8/15/2014	07/14 ACCT ANALYSIS FEE	Bank Fee	\$ (86.72)		\$ 278.03
7	HighPointe Capital Group, LLC Bank of America x3354	8/18/2014	Online Banking transfer from CHK 6443 957108187589896 Confirmation 2837566801	Bank of America 6443 (HPCG Hospital Investment)		\$ 2,000.00	\$ 2,278.03
8	HighPointe Capital Group, LLC Bank of America x3354	8/20/2014	Online Banking transfer to CHK 8017 957208207587183 Confirmation 0457918381	Bank of America 8017 (David Harbour)	\$ (1,000.00)		\$ 1,278.03
9	HighPointe Capital Group, LLC Bank of America x3354	8/21/2014	Counter Credit (Check #5229 Deposited)	DNA Management, LLC Northern Trust x3388		\$ 37,500.00	\$ 10,278.03
10	HighPointe Capital Group, LLC Bank of America x3354	8/28/2014	Employment Edge DES:INVOICE ID:H024611 902539013192246 INDN:MAIN CO ID:2271549152 CCD	Employment Edge	\$ (13,682.69)		\$ 4,595.34

**Date:
8/28/2014**

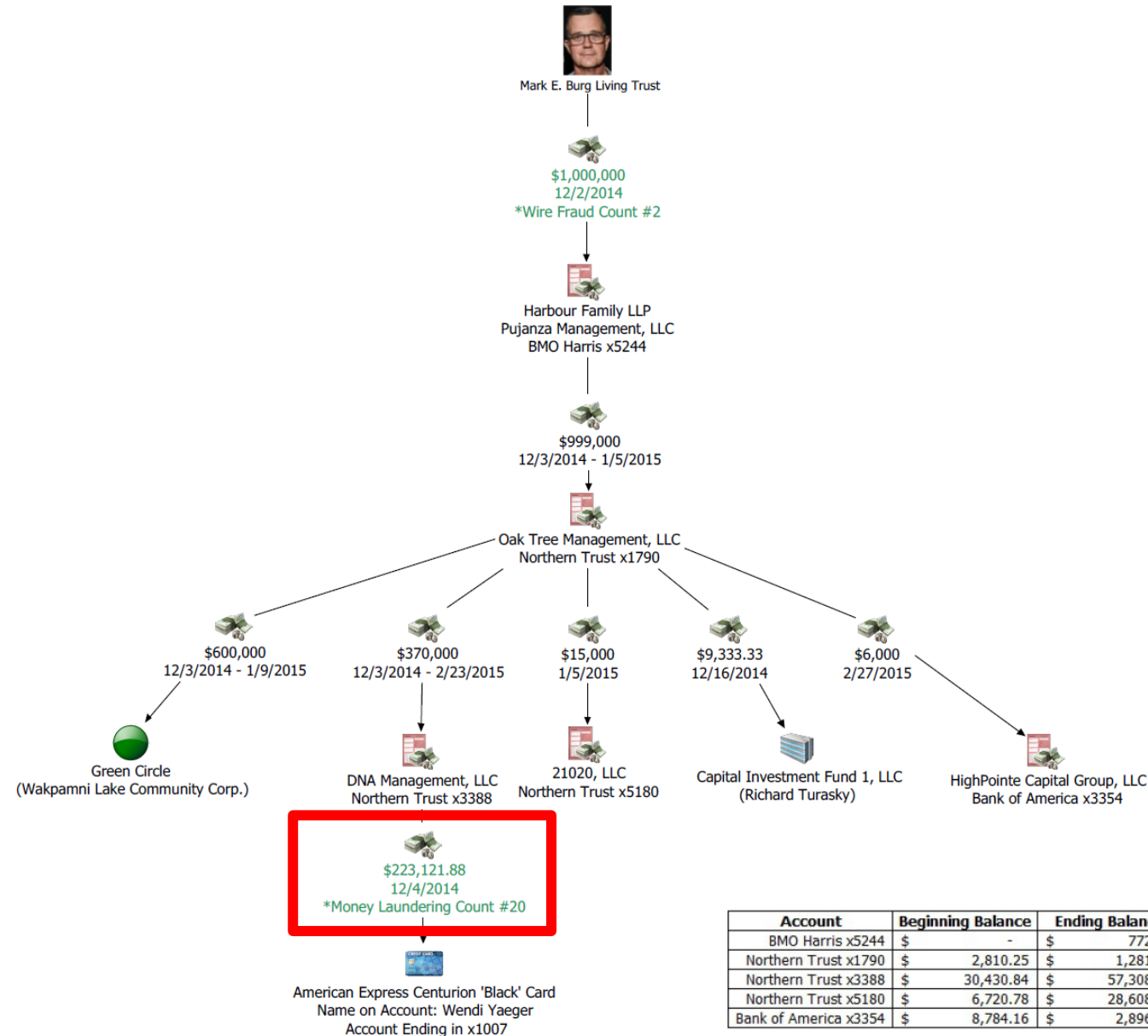
Mark Burg's Investment

Not Guilty**X Guilty**

**DAVID
HARBOUR**

**Proceeds
derived from
count #2**

**Date:
12/4/2014**



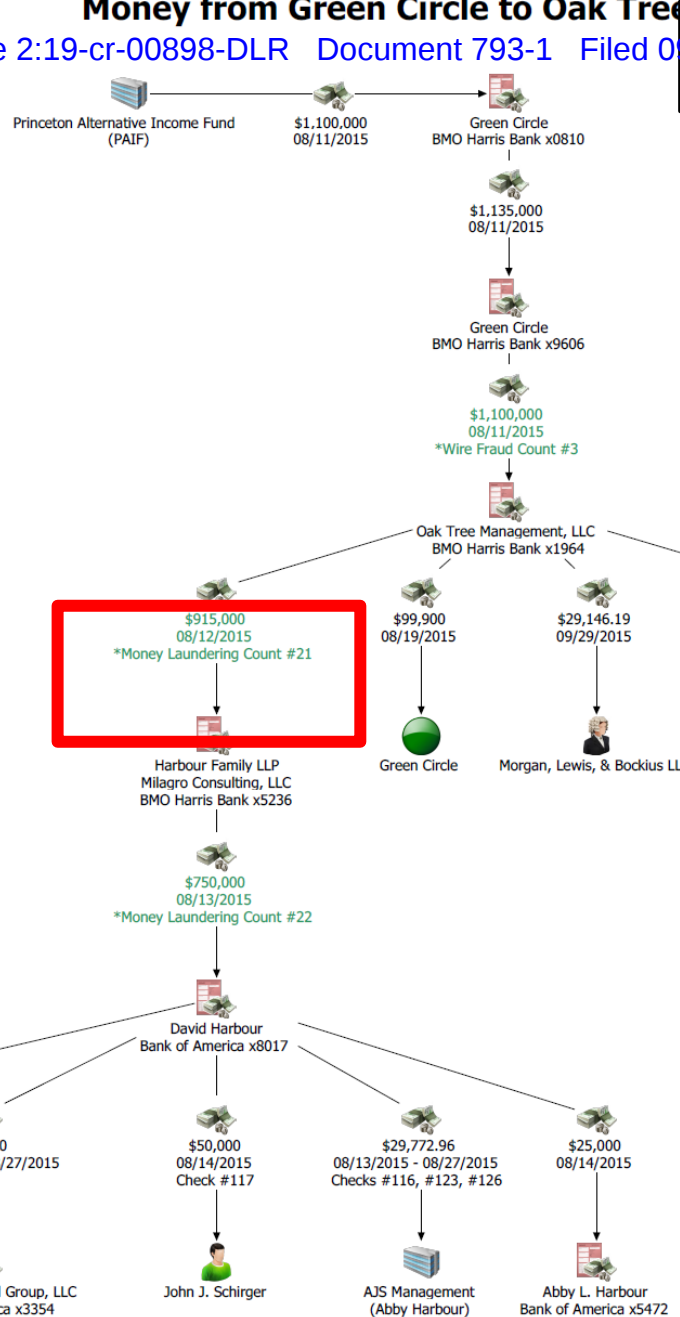
Count #20



DAVID
HARBOUR

Proceeds
derived from
count #3

Count #21

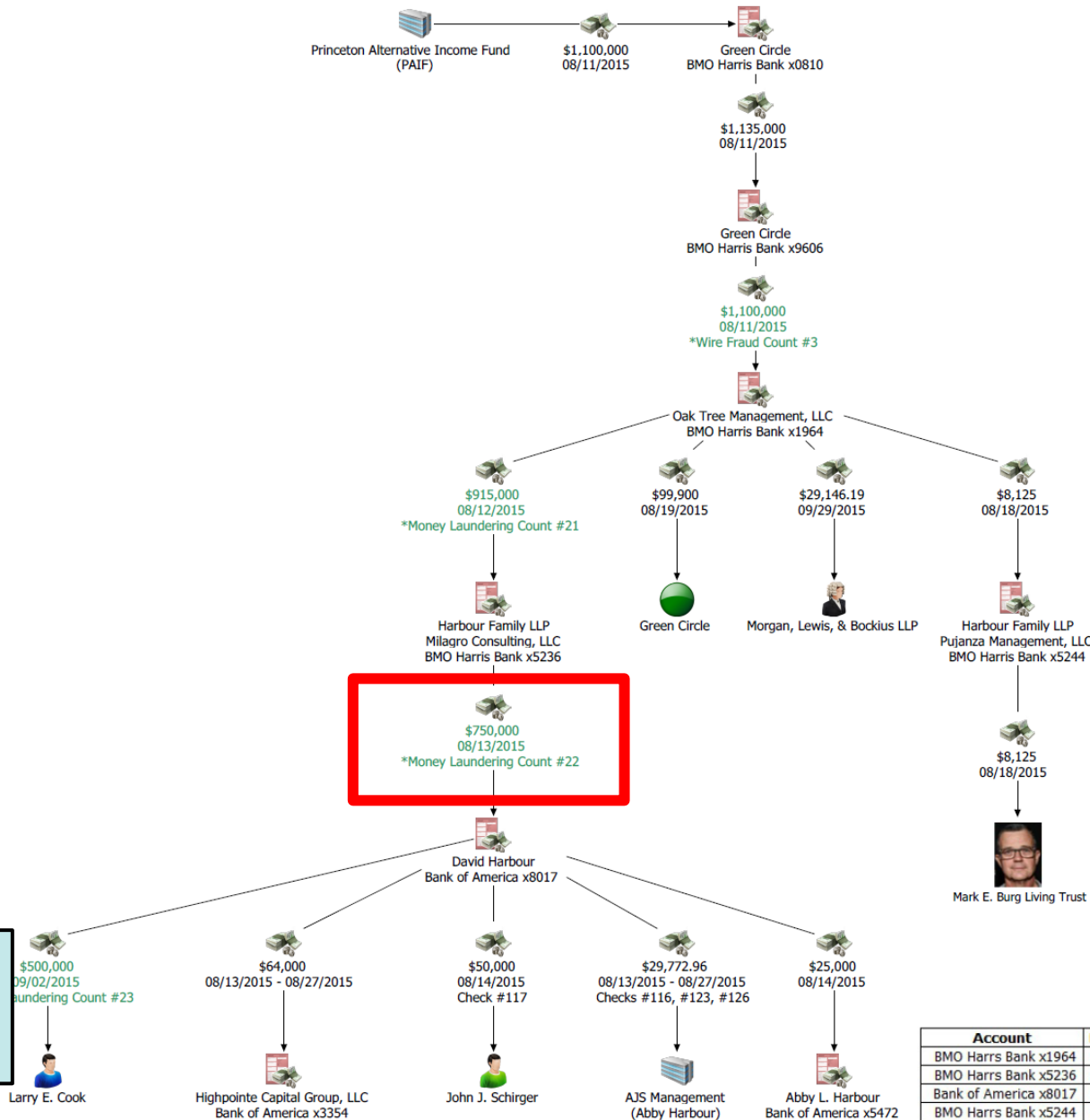


Not Guilty ~~X~~ Guilty

Date:
8/12/2015

Account	Beginning Balance	Ending Balance	Time Period
BMO Harris Bank x1964	\$ (69.59)	\$ 55,333.04	08/11/2015 - 09/29/2015
BMO Harris Bank x5236	\$ 2,962.25	\$ 58,295.29	08/12/2015 - 08/13/2015
Bank of America x8017	\$ 19,580.88	\$ 64,295.71	08/13/2015 - 09/02/2015
BMO Harris Bank x5244	\$ 166.59	\$ 166.59	08/18/2015

Money from Green Circle to Oak Tree

Not Guilty **X Guilty****DAVID
HARBOUR****Proceeds
derived from
count #3****Date:
8/13/2015****Count #22**

Account	Beginning Balance	Ending Balance	Time Period
BMO Harris Bank x1964	\$ (69.59)	\$ 55,333.04	08/11/2015 - 09/29/2015
BMO Harris Bank x5236	\$ 2,962.25	\$ 58,295.29	08/12/2015 - 08/13/2015
Bank of America x8017	\$ 19,580.88	\$ 64,295.71	08/13/2015 - 09/02/2015
BMO Harris Bank x5244	\$ 166.59	\$ 166.59	08/18/2015

Money from Green Circle to Oak Tree

Not Guilty **X Guilty****DAVID
HARBOUR****Proceeds
derived from
count #3****Date:
9/2/2015****Count #23**

\$500,000
08/02/2015
*Money Laundering Count #23

Larry E. Cook

Highpointe Capital Group, LLC
Bank of America x3354

John J. Schirger

AJS Management
(Abby Harbour)Abby L. Harbour
Bank of America x5472

Princeton Alternative Income Fund (PAIF)
\$1,100,000
08/11/2015
Green Circle
BMO Harris Bank x0810

\$1,135,000
08/11/2015

Green Circle
BMO Harris Bank x9606

\$1,100,000
08/11/2015
*Wire Fraud Count #3

Oak Tree Management, LLC
BMO Harris Bank x1964

\$915,000
08/12/2015
*Money Laundering Count #21

Harbour Family LLP
Milagro Consulting, LLC
BMO Harris Bank x5236

\$750,000
08/13/2015
*Money Laundering Count #22

David Harbour
Bank of America x8017

\$64,000
08/13/2015 - 08/27/2015

\$50,000
08/14/2015
Check #117

\$29,772.96
08/13/2015 - 08/27/2015
Checks #116, #123, #126

\$25,000
08/14/2015

Green Circle

Morgan, Lewis, & Bockius LLP

Harbour Family LLP
Pujananza Management, LLC
BMO Harris Bank x5244

\$8,125
08/18/2015

Mark E. Burg Living Trust

Account	Beginning Balance	Ending Balance	Time Period
BMO Harris Bank x1964	\$ (69.59)	\$ 55,333.04	08/11/2015 - 09/29/2015
BMO Harris Bank x5236	\$ 2,962.25	\$ 58,295.29	08/12/2015 - 08/13/2015
Bank of America x8017	\$ 19,580.88	\$ 64,295.71	08/13/2015 - 09/02/2015
BMO Harris Bank x5244	\$ 166.59	\$ 166.59	08/18/2015

Conclusion

- ▶ Defendant ran 10-plus year scheme to defraud, defrauding at least 15 investors
- ▶ Defendant did not tell the truth to people who trusted him with their money
- ▶ Defendant used investor funds to enrich himself and his family
- ▶ Defendant continued to present a façade of success to lure in new investors
- ▶ Defendant continued creating excuses for not providing investors their money back
- ▶ **Defendant is Guilty on all counts**



United States v. David Harbour